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OAS PLANNING APRIL SUMMIT ON DRUG TRAFFICKING

FL060310 Bridgetown CANA in English 2200 GMT 5 Feb 86

[Text] Washington, Feb 5, CANA -- The Organisation of American States (OAS) said today it was well into preparations for a specialised inter-American conference in Brazil next April on hemispheric action to combat the scourge of illegal drugs. A statement from the Washington-based organisation said it had declared drug trafficking to be a crime that affects all of mankind and one of the high priority items on its agenda.

The conference, scheduled to open April 22 in Rio de Janeiro, had been convened by the General Assembly of the OAS because of the interest of all governments in finding a quick solution to the problem of drug traffic, the statement said.

Drug traffic is a multifacetic crime and we cannot afford to continue to allow the criminal who commits it and those who finance this crime to go unpunished, said Venezuelan Ambassador to the OAS Edilberto Moreno Pena as he opened this years work of an OAS working group on drug traffic.

In addition to Moreno Pena, who heads it, the group inclides representatives from Argentina, the Bahamas, Bolivia, Colombia, Ecuador, Mexico, Nicaragua, Panama, Peru, Trinidad and Tobago and the United States, but is open to participation by all OAS members.

The Venezuelan ambassador cautioned against expecting miracles from the Rio de Janeiro conference, but I am sure that it will be a good beginning of coordinated efforts aimed at putting an end to a very complex problem, and at least for the coordination of national legislations for the punishment of the drug trafficker and those who finance this crime.

OAS Secretary General Joao Clemente Baena Soares, who gave the group today an account of all OAS Secretariat efforts to increase public awareness of the seriousness of the problem, said this will be our first opportunity to demonstrate to the peoples of Latin America, the Caribbean and the United States that we are firmly committed to seek solutions to a problem that has become a grave concern throughout the Western Hemisphere.

CGT, INDUSTRIAL UNION REAFFIRM DIALOGUE

PY132238 Buenos Aires NOTICIAS ARGENTINAS in Spanish 1455 GMT 12 Feb 86

[Text] Today at noon, the CGT [General Confederation of Labor] and the Argentine Industrial Union (UIA) reaffirmed the importance of "constructive dialogue as a factor for seeking agreements aimed at overcoming the economic crisis," and said "this type of meeting will help consolidate democracy and the institutions."

This statement is contained in a joint document signed by the two organizations after a meeting that lasted more than 2 hours in the UIA headquarters. CGT Secretary General Saul Ubaldini, UIA President Roberto Favelevic, and others participated in the meeting. The document adds that "during the meeting the CGT representatives explained the scope of a CGT document after which there was an exchange about the problems affecting the Argentine economy, the workers and businessmen."

Referring to the CGT's 26-point alternative economic program, the declaration says the "UIA leaders thanked the CGT for the presentation of the document which will be studied thoroughly by the UIA leaders and technical organizations." The declaration adds that "this reaffirms constructive dialogue toward agreements aimed at overcoming the economic crisis. Through a decisive growth program it favors industrialization as a means of increasing employment and real salaries."

The declaration also says that "after an evaluation of the CGT proposal is made and the UIA makes its own proposals the UIA will call for another meeting for a joint study of the document." The CGT-UIA joint document concludes by saying that "it was agreed that this type of meeting reaffirms the will to consolidate democracy and the institutions."

After reading the joint declaration in a press conference, Favelevich and Ubaldini labeled the meeting as "constructive." Favelevich added that a new meeting with the CGT "may be held this month or the first week of March." He explained that before the second meeting is held the UIA "technical organizations" will evaluate the CGT's 26-point document. He also said that it is "quite possible" the UIA experts may meet with CGT experts. Favelevich said Ubaldini did not extend an invitation to join the National Unity Congress 2 hours. He added that the VIA would consider such an invitation if one were extended." Ubaldini agreed with Favelevic that "the dialogue was constructive" and that from now on the CGT and UIA "technical teams" are going to work together.

COMMUNISTS CRITICIZE NEW IMMIGRATION PLAN

PY131700 Buenos Aires DYN in Spanish 0132 GMT 13 Feb 86

[Text] Buenos Aires, 12 Feb (DYN) -- Jesus Mira, national attorney of the Communist Party, today said that the National Migration Department is implementing a plan to expel foreigners, particularly "those who struggle against dictatorships in bordering countries." In a communique issued tonight, Mira notes that foreign residents in Argentina are not to blame for the problems affecting Argentina's development, but rather "the domination of imperialists and the oligarchy that has caused the present foreign debt, which exploits all workers whether they are Argentines or not."

He added: "Residence and proper documentation must be granted to immigrants without any extensive or complicated proceedings. We must also end plans to implement nefarious laws regarding the expulsion of foreigners for political reasons. These laws date back to the days of conservatives and recent dictatorships." He criticized the policy that has been developed by the National Migration Department, which he said "has caused great concern among the public opinion and human rights defense organizations." In this regard Mira noted that "under the pretext that they have bad political records, the government is expelling honorable people who come to work in our country, like Uruguayan citizen Moreyra [not further identified], whose deportation was prevented by the intervention of the Argentine Human Rights League."

2,000 LONGSHOREMEN RALLY NEAR GOVERNMENT HOUSE

PY131800 Buenos Aires DYN in Spanish 1740 GMT 13 Feb 86

[Text] Buenos Aires, 13 Feb (DYN) -- In the last few minutes, approximately 2,000 longshoremen have gathered in front of Government House. They are surrounded by a strong security force. Cesar Loza, secretary general of the United Trade Union of Argentine Port Workers (SUPA), entered Government House, but it is not known whether he met with any official to express the longshoremen's demands.

BOMB EXPLODES IN DOWNTOWN BUENOS AIRES

PY131842 Buenos Aires TELAM in Spanish 0958 GMT 13 Feb 86

[Excerpt] Buenos Aires, 13 Feb (TELAM) -- According to responsible police sources, a powerful bomb exploded early this morning in front of an insurance company here, damaging nearby buildings as well. There were no victims. The bomb went off at approximately 0240 at the front door of the building at 955 Moreno Street. The Alba Insurance Company is on the ground floor.

Many apartments and stores on Moreno Street, in the block between Tacuari and Bernardo de Yrigoyen Streets, had their windows and masonry broken, while the Perfometal company, on the ground floor of the building opposite the Alba company, was greatly damaged by the shock wave. The porter of the building, Jaime Jorge Valdez, who was inside when the explosion occurred, confirmed to TELAM that about a month ago, Peronist Youth leader Patricia Bullrich had installed her offices in Apartment No 4 on the fifth floor.

GOVERNMENT OFFICIAL CONFIRMS TERRORIST MEETING

PY131506 Madrid EFE in Spanish 0152 GMT 13 Feb 86

[Text] La Paz, 12 Feb (EFE) -- Deputy Interior Minister Guido Meruvia reported tonight that representatives of terrorist organizations from eight countries held a meeting last weekend in Santa Cruz, in eastern Bolivia.

Meruvia said that terrorists from Argentina, Chile, Nicaragua, Uruguay, Libya, Syria, Tunisia, and Jordan held a meeting in Bolivia, but that no one has been detained.

The deputy interior minister noted that "government security organizations are in control of the situation, and they are following the moves of the terrorists. Therefore, the people have no reason to worry. No terrorist movement has any possibility of succeeding in Bolivia."

Meruvia, in a statement broadcast tonight over radio and television, said "there are sectors seeking to destabilize the government with the ultimate objective of destroying the country, as is happening in other parts of the world."

CLARIFICATION ON STATUS OF HONG KONG IMMIGRANTS

PY131852 La Paz Cadena Panamericana in Spanish 1700 GMT 13 Feb 86

[Excerpts] Migration Department Under Secretary Willy Sandoval Moron today stated that because of the inability of Chamber of Deputies President Gaston Encina, there is a distortion of the facts regarding a proposal submitted by Chinese families who are willing to settle in Bolivia.

In a statement to Cadena Panamericana, Sandoval said that the Chinese families in question are not farmers, that is, they are not peasant families. He said: These are wealthy private businessmen who are leaving their country because in (?7) years from now Hong Kong will pass over to the PRC. Sandoval Moron said:

[Begin recording] I want to explain that this is a distortion of facts on the part of Gaston Encina, the present president of the Chamber of Deputies, who has always held negative views throughout his political career.

The Chamber of Deputies has already granted its official approval to this immigration program, because these are not just farmers. They are wealthy Hong Kong businessmen who will bring their own money to this country. [end recording]

BRIEFS

COCAINE CONFISCATED -- The customs office at Unduavi in the La Paz Department confiscated approximately 18 kg of cocaine hydrochloride on 9 February. The packages have been handed over to the drug control department. Two women, who were carrying the cocaine packages hidden among packets of coca leaves, were arrested. [Summary] [La Paz Cadena Panamericana in Spanish 1700 GMT 13 Feb 86 PY]

SARNEY REJECTS DUVALIER'S ASYLUM REQUEST

PY140251 Madrid EFE in Spanish 0213 GMT 14 Feb 86

[Text] Brasilia, 13 Feb (EFE) -- The U.S. and French ambassadors today unsuccessfully made desperate efforts to gain asylum in Brazil for former Haitian President Jean Claude Duvalier. Renato Guimaraes, the spokesman of the Brazilian Foreign Ministry, tonight reported to EFE that the repeated joint requests made by the U.S. and French Embassies were rejected on instructions from President Jose Sarney. Diego Asencio and Bernard Dorin, U.S. and French ambassadors respectively, today personally conducted negotiations to get asylum for the overthrown Haitian president who fled his country last week.

According to Guimaraes, the interim chief of consular affairs of the Foreign Ministry received a request 2 days ago regarding asylum from the French Embassy in Brasilia. The request was submitted to Sarney who rejected the possibility of asylum for the ousted Haitian president.

Duvalier, his family, and many of his personal aides last week fled Port-au-Prince aboard an airplane provided by the U.S. Government and landed in France, which granted temporary asylum. According to reports from Paris, the deadline established by the French Government ends on 14 February.

NEW CABINET APPOINTED; SWEARING-IN SCHEDULED

PY140137 Brasilia Domestic Service in Portuguese 2100 GMT 13 Feb 86

[Excerpt] [Passage omitted] Presidential Press Secretary Fernando Mesquita has released the names of the new ministers.

[Begin recording] Marco Antonio de Oliveira Maciel will be the chief of the civilian household; General Rubem Bayma Denys will remain chief of the military household; Paulo Brossard of the PMDB [Brazilian Democratic Movement Party] of Rio Grande do Sul will be justice minister; Admiral Henrique Saboya remains as Army minister; Roberto Costa do Abreu Sodre will be foreign relations minister; Dilson Funaro remains as finance minister; Jose Reinaldo Carneiro Tavares will be transportation minister; Governor Iris Rensende Machado will be agriculture minister; Jorge Bornhausen will be education minister; Almir Passioanotto remains as labor minister; General Otavio Moreira Lima remains as aeronautics minister; Roberto Santos will be health minister; Jose Hugo Castelo Branco will be industry and commerce minister; Aureliano Chaves remains as mines and energy minister; Ronaldo Costa Couto remains as interior minister; Antonio Carlos Magalhaes remains as communications minister; no one has yet been appointed welfare and social security minister; Celso Furtado will be culture minister; Denny Schwartz will be housing and environment minister; Renato Archer remains as science and technology minister; Nelson Figueiredo Ribeiro will be agrarian reform and development minister; Souza Cavalcanti Soarez will be irrigation affairs minister; Aluizio Alves remains administration minister; General Ivan de Souza Mendez remains chief of SNI [National Intelligence Service]; Admiral Jose Maria do Amaral Oliveira remains Armed Forces chief of staff; Joao Sayad remains as planning minister; and Jose Saulo Pereira Ramos will be legal adviser. [end recording]

The swearing in ceremony is scheduled for 0900 on 14 February in the main hall of the Planalto Palace. The new ministers will be sworn in and President Sarney will then deliver a speech. At the conclusion of the ceremony the president and the members of the new Cabinet will pose for pictures. According to the press under secretary, [name indistinct], the first meeting of the new Cabinet is still to be confirmed but it will probably be held on 18 or 19 February.

OFFICIALS REVISE ARMED FORCES EXPANSION PLAN

PY120259 Sao Paulo FOLHA DE SAO PAULO in Portuguese 11 Feb 86 p 5

[Text] The Army will not draft at least 5,000 men as planned, because of the lack of financial resources. The plan for the land forces to have 188,000 men in uniform last year could not be fulfilled. These forces had less than 179,000 men. The plan for an annual 10-percent personnel increase so the Armed Forces will have 250,000 troops under arms by 1989 is not being complied with because of the lack of funds. Unless enough resources for that purpose are found that objective will not be attained.

The increase of Army personnel was discussed in a meeting with President Jose Sarney last week. Responding to a request by the president, Army Minister General Leonidas Pires Goncalves decided to review the plan and opted to implement it more slowly. The only reason for doing so is lack of resources.

When the Army begins to benefit from the execution of the modernization and re-equipping plan known as FT-90 late this year, personnel expansion could be accelerated. This year the FT-90 program will be funded with $300 million (nearly 3.7 trillion cruzeiros). An equal amount will be apportioned to the Army in 1987.

The Army Ministry this month begins to receive additional resources of 2.475 trillion cruzeiros. This sum will be used for communication equipment, computer equipment and maintenance, construction war materiel and quartermaster supplies. This sum is in addition to the 11.11 trillion cruzeiros in this year's Army budget.

"The economic difficulties experienced by the country have at no time affected the solid foundation of the Army," So states a report on "the most significant activities and accomplishments of the Army Ministry in 1985," distributed by the Social Communications Center. The report also sayd that in 1985, the Army has strictly adhered to its constitutional mission.

Regarding the activities carried out by the Army, the report says that studies were conducted on an aviation branch for the Army and a mountaineering instruction center; a new territorial division was established; a science and technology Secretariat was set up; and a program for antiaircraft artillery was developed. Regarding equipment, the report says that priority was given to acquisition of Brazilian-made materiel and that contracts for the modernization of vehicles and various weapons are being executed, as well as other contracts for wheeled vehicles and track or wheeled armored vehicles.

In closing, the report says "the Army in 1985 experienced a difficult period on account of the resource limitation imposed by the country's adverse financial situation." However, it says the essential objectives of the Army to fulfill its constitutional mission were achieved.

RELATIONS ESTABLISHED WITH NEW HAITIAN REGIME

Constitution Noted

PY112006 Santiago Domestic Service in Spanish 1630 GMT 11 Feb 86

[Text] The new Haitian Government has informed the Chilean Government about its Constitution. The Chilean Foreign Ministry has received an official message of this subject in the last few hours. This was confirmed by Chilean Foreign Ministry spokesman Pablo Valdez, who said that the message from the new Haitian regime gives the names of the new rulers as well as their promise to comply with all of Haiti's international commitments. Pablo Valdez added that the Chilean Government's reply to this letter will be delivered in the next few hours and is currently being prepared. Finally, Valdez confirmed that the fact that the Haitian ambassador in Santiago has delivered the message means that he still remains in his post. Valdez also said that Chile has not received asylum petitions from any Haitian.

Formal Recognition Extended

PY131438 Paris AFP in Spanish 1417 GMT 13 Feb 86

[Text] Santiago, 13 Feb (AFP) -- The Foreign Ministry reported today in Santiago that Chile has recognized the new Haitian civilian-military government. The recognition was conveyed to Haitian Ambassador to Chile, Max Jadotte, who 2 days ago presented to the Chilean authorities an official note from the civilian-military junta that has replaced President Jean-Claude Duvalier's regime.

INTERIOR MINISTRY SUES 3 POLITICAL LEADERS

PY120232 Santiago Domestic Service in Spanish 2200 GMT 11 Feb 86

[Text] The Interior Ministry has filed a law suit against three political leaders, charging them with violating the state security law. According to Alberto Rios, an Interior Ministry lawyer, one of the lawsuits was filed against Andres Palma, president of the Christian Democratic Youths, another against Social Democrat Manuel Sanhueza, and the third against Alenandro Toro, leader of the proscribed Communist Party. Toro had asked ANALISIS magazine to publish a communique from this illegal group.

The Interior Ministry lawyer stated that the government has based its decision on the fact that Palma, during an interview with ANALISIS, and Toro and Sanhueza, in signed articles, committed seceral crimes against state security. Among these crimes are insults against the president of the republic, inciting the paralyzation of national activities, and proposing indiscipline in the Armed Forces. The court immediately appointed judges to hear these cases. It was stated that Judge Marcos Liberinskyi will try Alejandro Toro, Sergio Medi will try Andres Palma, and Marco Aurelio Perales will try Manuel Sanhueza.

CDWU LEADER DISCUSSES NEED FOR DIALOGUE

PY131448 Madrid EFE in Spanish 0122 GMT 13 Feb 86

[Text] Santiago, 12 Feb (EFE) -- Christian Democratic World Union [CDWU] President Andres Zaldivar, a Chilean, today said that if the Chilean opposition and Armed Forces do not jointly seek a peaceful solution to the crisis, it will grow worse and become generalized.

Zaldivar made this statement during a press conference upon returning from a tour of Europe, the United States, the United Nations, and Central America. He added that most of the countries, organizations and individuals he visited share his view. In the United States, Zaldivar met with President Ronald Reagan and Secretary of State George Shultz, as well as congressional, labor, religious, and business representatives.

"Chile must take clear and concrete steps to seek a realistic transition formula toward a democracy in which all sectors participate, including the Armed Forces and the opposition. These steps should follow a realistic schedule and include the necessary constitutional changes. If they are not taken, our problem will grow worse and become generalized," Zaldivar said. "This is all the more so," he stressed, "when the government follows a policy of repression instead of opening the doors to dialogue and understanding." "The 1980 Constitution is not designed for a democratic solution and it allows for the continuation of the dictatorship," he stated, warning that "Time works against a democratic solution." Zaldivar concluded by saying that he will not be a candidate for reelection as CDWU president, because he intends to dedicate all his efforts to the Chilean political process.

EXILED MIR MEMBER PROMISES INCREASED RESISTANCE

PY140213 Santiago Domestic Service in Spanish 2200 GMT 13 Feb 86

[Text] Andres Pascal Allende, member of the Movement of the Revolutionary Left [MIR], asserted that the popular movement will engage in the last phase of its struggle against President Pinochet's government. During a press conference held in Managua, the Chilean terrorist living in exile denied that the use of violence is a factor that divides the opposition sector.

Pascal Allende asserted that the Chilean leftist sector is preparing a national stoppage that will incite insurrection within the next few months. He also said that the popular mobilization and armed struggle against the Chilean Government will be stepped up and that the use of violence is not a divisive factor within the opposition sector. We must now await sectors of the opposition, such as the Christian Democrats or others, to reassert this statement or deny it.

After assuring that the Chilean leftist sector does not intend to establish socialism, Pascal admitted that they are not struggling for a formal democracy in which the repressive institutions, the socio-economic system, and the army structure will remain intact. In this regard Pascal Allende stated that the Popular Democratic Movement, the Communist Party, the Socialist Party, and the MIR demand the establishment of a constituent assembly, the amendment of the judicial system, democratization of the Armed Forces, and the establishment of ownership concept that will be in keeping with a progressive democracy. Pascal thus confirmed that which the Chilean Government has repeatedly denounced.

Pascal Allende ended by stating that the revolutionary organizations will intensify the armed struggle that so far, he said, has been focused on propaganda.

COMMUNIQUE ON U.S. PLANE LANDING IN SAN ANDRES

PA132235 Bogota EL TIEMPO in Spanish 8 Feb 86 p 2 A

[By Gustavo Hernandez; all quotation marks as published]

[Text] San Andres, 7 [no month as published] -- A U.S. -registered plane with six crewmen aboard en route to Puerto Limon, Costa Rica, had to make an emergency landing at this island's airport.

The aircraft, with registration number N48216, from Miami, was piloted by Canadian Lasper Ronald. It had apparently suffered a minor malfunction, which was repaired by the airport mechanics.

The following is the communique issued by the Ministry of Foreign Relations:

"The Ministry of Foreign Relations of Colombia wishes to inform:

"1. That on 6 February at 0746, a DC-4 aircraft with registration number N48216, landed at the Sesquicentenario airport on San Andres Island, due to a mechanical failure.

"2. According to international regulations on the matter, it was offered the necessary cooperation to repair the problem.

"3. The Colombian authorities carried out the routine investigation for such cases.

"4. Once the aircraft was repaired, it was authorized to take off, on a flight plan with the destination of the city of Miami; included was a refueling stopover on Grand Cayman Island. The plane left the San Andres airport at 1702 on the afternoon of 7 February of the present year.

"5. The military authorities confirmed that the plane was not carrying weapons or ammunition in its cargo."

VILLAGE ABANDONED AFTER ARMY-FARC CLASH

PA131958 Bogota Television Service in Spanish 0000 GMT 11 Feb 86

[Text] Guerrilla fighting does not stop. San Francisco, a village in Yondo municipality, northeast Antioquia, has been abandoned by its 900 inhabitants, who were scared because of a recent clash between the Army and a Revolutionary Armed Forces of Colombia [FARC] column. As a result of the clash, one civilian, one soldier, and three subversives were killed.

BRIEFS

EXPORTS INCREASE -- The Bank of the Republic has reported that Colombian coffee exports reached $2.575 billion during 1985. This represents a 10.5 percent increase over the 1984 export figures. Colombia received revenues totaling $2.828 billion from other exports during the same period. General Colombian exports increased by 13.8 percent during 1985. [Summary] [Bogota Cadena Radial Super in Spanish 1730 GMT 8 Feb 86 PA]

GOVERNMENT TO SUPPORT STABILIZATION INITIATIVES

FL141250 Mexico City NOTIMEX in Spanish 0315 GMT Feb 86

[Text] Mexico City, 13 Feb (NOTIMEX) -- The Ecuadoran Government will join any acceptable initiative aimed at reestablishing the balance in the international oil market, which is facing a price war. This has been asserted by the Ecuadoran Foreign Minister in a document issued by the Ecuadoran Embassy in Mexico.

The document indicates that the drop in oil prices makes it difficult for developing oil exporting countries to fulfill their commitments abroad and their capabilities for financing imports, which are necessary for their development.

Ecuadoran Foreign Minister Edgar Teran underscored the need for a sincere and constructive dialogue among all oil exporting countries, whether they belong to OPEC or not, inasmuch as the nost effective way of reestablishing the balance of crude markets requires adequate and efficient coordination among all exporting countries.

Likewise, he said the Ecuadoran Government announced its decision of joining any action aimed at reestablishing the international oil market balance.

Teran also expressed his agreement and support to the principles based on the joint statements issued by the presidents of Mexico and Venezuela at their Cancun meeting.

OPPOSITION RESPONDS TO COLORADO STAND ON DIALOGUE

PY111312 [Editorial Report] Asuncion LA TARDE in Spanish on page 15 of its 6 February edition carries the reaction of several opposition political leaders to the stand taken by the official Colorado Party regarding the call for dialogue made by the Paraguayan Episcopal Conference.

With regard to the Colorado Party stand, Enrique Riera, vice president of the Colorado Popular Movement, (Mopoco) said: "My opinion is that I was not really expecting anything from the Colorado Party Executive Board." He added: "The worn-out argument invoking the electoral law does not convince anyone because the government uses that law only for electoral purposes and for registering political parties and establishing acronyms."

Miguel Angel Martinez Yaryes, president of the Authentic Radical Liberal Party, said that he was not surprised by the Colorado Party stand. He added: "I believe that the position of the Colorado Party does not represent a major change in the country's political scene." He said that he expects the church "to maintain its position advocating dialogue including all sectors."

Alfredo Rojas Leon, president of the Christian Democratic Party, said: "The call for dialogue is in the hands of the Paraguayan Episcopal Conference which is the organization in charge of deciding who will participate." He added: "If the Colorado Party leaders accept dialogue they would have to hold it under the established conditions, otherwise they will look like liars." He also said: "If they do not want to talk with the people included by the church, it means that what they said about accepting dialogue is a lie. They must talk with those people suggested by the church." In conclusion Rojas Leon said: "They cannot make conditions because they are not the ones calling for dialogue. In this case their argument is not valid."

Arnaldo Llorens, vice president of the Febrerista Revolutionary Party, said that the conditions made by the Colorado Party are an obstacle to dialogue. He said: "I believe that their stand obstructs the dialogue and discussion of the democratization issue. Obviously the attitude taken by the Colorado Party leaders, who see the situation in a different manner, is a stubborn position."

Asuncion ULTIMA HORA in Spanish on page 10 of its 6 February edition carries the reaction of Emilio Forestieri, the president of the Radical Liberal Party, who said that the Colorado Party has dealt a hard blow to the patriotic idea of beginning a national dialogue. He said, however, that the Colorado Party position should not be considered the final answer and that further efforts should be made to convince that party to support a dialogue.

Forestieri added: "I believe that the Colorado Party leaders have maintained their traditional position, that is, being faithful to the position of dealing exclusively with the parties which they label legitimate regular parties. This position contrasts with our position, which will be to continue open to dialogue because we believe that this is a historic mandate that we must face with courage together with all the democratic political parties." He added: "They stubbornly stick to the constitutional legal structure. The Radical Liberal Party believes that measures should be taken to perfect the country's democratic process by establishing equal terms among all political parties to put an end to the privileges enjoyed by the official party."

He also said: "All political parties should have access to the official radio station of the country; they must help in the return of the Paraguayans living in exile; we must try to put an end to censorship, and self-censorship in the national press; and we must prepare the defense of consumers against the spiraling inflation which is destroying the purchasing power of the workers and peasants."

ANTELCO WARNS RADIO NANDUTI, SANCTIONS REPORTER

PY132358 Asuncion DIARIO NOTICIAS in Spanish 13 Feb 86 p 8

[Text] The Executive Board of the National Administration for Telecommunications (Antelco) has released a resolution sanctioning the radio station Radio Nanduti and one of its employees, based on "Antelco's duty to ensure that the country's radio broadcasting services are trustworthy" and in compliance with the current laws. Resolution No 128 says: "Through this resolution we severely warn radio station ZP 14 Radio Nanduti and prohibit reporter Oscar Acosta, for a 90-day period, from conducting his radio and television activities."

The text, dated 12 February, was prepared during a meeting in which the false news broadcast by Radio Nanduti was analyzed. According to the finding, "Nanduti" broadcast the news that the "Voice of Colorado" had been sanctioned by the Paraguayan Episcopal Conference. This news, which was later denied, is the reason for the sanction by Antelco. The resolution is signed by military civil engineer Colonel Miguel C. Guanes, president of the executive board. Copies of the resolution were sent to the communications department, frequencies department, the public relations department, and to Radio Nanduti.

Yesterday, Antelco issued a circular, warning all radio station owners that they should only broadcast objective and trustworthy information. It also points out that the so-called "talk show" format is prohibited. The text of Antelco circular No 5, dated 12 February states that: "The directorate of the radio communications and frequencies department hereby reminds owners of radio and television stations that they should strictly observe the norms that regulate broadcasting, especially taking into account the following points: that the reports and information broadcast should be objective, trustworthy and obtained from reliable sources; that the so-called "talk show" format, that is, the direct broadcasting of a telephone conversation, is prohibited.

7 PLRA MEMBERS DETAINED IN ISLA PUCU

PY042101 Asuncion ULTIMA HORA in Spanish 3 Feb 86 p 10

[Excerpt] Seven members of the Authentic Radical Liberal Party (PLRA) were detained while attending a meeting in a private residence in the township of Isla Pucu, PLRA Secretary General Miguel Abdon Saguier reported this morning. Saguier said that Francisco Soca, chairman of the PLRA local committee, and Jose Medina are among the detainees. He added that there was no information on the identities of the other detainees because many PLRA members of Isla Pucu were attending the meeting. Saguier said: "This has been another arbitrary action taken by the government, especially considering that it took place in Isla Pucu -- Cordillera Department -- where the people can fully enjoy their freedom because the state of siege is not applicable there. Since the meeting was being held at a private residence, no special authorization was required, despite what the authorities have claimed.

GARCIA SPEECH ON ECONOMIC, SECURITY MEASURES

PY092055 Lima Domestic Service in Spanish 0109 GMT 8 Feb 86

[Speech to the nation by President Alan Garcia, 6 months after his inauguration, from Government House in Lima -- live]

[Text] At the end of the first 6 months of the new government, I would like to address the country to point out the objectives of the executive branch regarding the economic situation and internal order so that the people can participate in them and also to give a national and popular character to the struggle to overcome the crisis and begin the autonomous development of Peru. We are committed to this struggle.

In my first speech to the nation 6 months ago, I said on behalf of the American Revolutionary Popular Alliance [APRA] party that our goal was to build a nationalist, democratic, and popular government. However, I also warned of the very difficult circumstances under which the new government was beginning, and I proposed that the country suffer a time of difficulties to follow a new course.

We want a nationalist government to defend Peru's right to development in the face of the foreign debt, the world economy that invades us with its products, and the monopolies and transnationals which, with the help of bad governments, obtained exececessive profits.

We want a democratic government that identifies itself with the majorities and the poor, a government that will do away with bureaucracy and immorality, that will call on social organizations to participate in health, housing, and legal policies. We want a popular government to overcome the unjust centralized government that is hurting us, and to put into operation a different economy from the economy that was imposed on us in the last few years under the IMF's protection.

It is about the economy that I want to talk to you first of all tonight; and second about the issue of internal order and the emergency measures implemented by the government to safeguard the people's order and security.

When we took over the government on 28 July 1985, inflation was threatening to go over 250 percent in 1985. In other words, a product that in January 1985 cost 100 soles could have cost 350 soles in December 1985. Moreover, the Peruvian currency was losing its value against the dollar. It was devalued over 200 percent. Therefore, the purchasing power of the people was decreasing very quickly.

In the face of this situation we put into operation an emergency program, which after 6 months, we can now evaluate. In the last 7 months of the previous government, inflation was 165 percent, but in the first 6 months of the APRA government, inflation was only 30 percent. In the last 7 months of the previous government the devaluation was 170 percent but in the first 6 months of this government the devaluation was only 12 percent. On 28 July we took over the government with a reserve of $894 million, but I can now say that we have a net reserve of $1.416 billion, which represents greater security for national development.

In the last few years salaries dropped drastically, but we can now say that although the purchasing power of wages has not increased much, this sudden drop has been stopped. In some cases such as the minimum wage, its increase has been much greater than the price increases. These are the concrete results of the emergency program, of an economic program for the people, without which the crisis would have continued at the same rate as during the previous government.

I am not saying that the crisis has been overcome. I am not saying that inflation has been stopped. This is a crisis that has been going on for many years, perhaps for centuries, which has been destroying our economy. It is going to take many years to overcome this crisis. However, after 6 months I can say that the fast developing crisis we inherited is slowing down gradually but surely.

We have had many problems during the last 6 months. The first problem was the skepticism of the economists, the doubt of the large and medium businessmen, and even the doubt of unionized popular sectors.

They believed that inflation would continue at the same rate as during the previous government. This is why they increased their prices and demanded wage increases similar to those granted in previous years. Another great problem is the present food shortage, which began early this year. This is the case with potatoes, which were affected by weather conditions that delayed the harvest and created speculation.

When the purchasing capacity of the poorest sectors increased, demand and sales of poultry increased by more than 50 percent, casuing another shortage. This was a problem caused by mistakes and unpredictable circumstances.

The media gave full coverage to this problem and came to the conclusion that the economic emergency program had failed. Some of the media were very happy about this. They did not realize that the shortage of potatoes could be resolved by consuming other products with greater food value such as rice, noodles, and bread. The prices of these products have not increased in the last 6 months. On the contrary, thanks to the government, their prices now are lower than they were on 28 July.

The important thing to clearly understand is that these are specific, passing problems and that despite the inconveniences, the fundamental part, the basis of the economic program is in force and will be maintained. We have taken the first step to stop inflation, and we must now take the second step to encourage production and growth which represents work, wellbeing, redistribution of wealth, and justice.

I have labeled the second step I am announcing tonight a great historic leap. To do this it will be necessary to call on the entire population because it will not only be the work of the government but of the entire nation. I already said that we have made progress against inflation, but I would like to warn that it will be useless to maintain food-price controls if food production is not increased.

This is why we must now establish that growth is our first priority, and we must reconfirm the essential points of the economic program, which received the support of the people during the last elections. When we began to have food shortages, when the first obstacles and dissatisfaction appeared, some people advised us to change the entire economic program and to return to the foreign proposals and the colonial protection of the IMF.

The IMF program is the one that leads us to the very serious economic crisis from which we are trying to extricate ourselves.

By taking advantage of the potato shortage, those who support the foreign theories, who were defeated in the last elections, are trying to recover their lost positions. For example, we are told that by increasing the consumption capacity of the poorest sectors we are creating a food shortage. They advise us to reduce the income of the poor and middle class to keep these sectors from being able to buy food, thus solving the shortages.

They tell us that price control and regulation discourage production because they limit profits. They demand that we not intervene in the economy, that we allow prices to increase without control, that we increase interest rates, which is the price of money, that we devalue the currency, and that we pay the unjust foreign debt in accordance with the IMF.

Despite the passing obstacles we have experienced, we cannot yield to these measures which would return us to the past.

The IMF is an institution created to govern the economy of poor countries and to guarantee the payment of debts to the international banks. On 28 July, Peru clarified its position regarding the IMF. On the debt issue, our decision to limit payments is recognized and is being followed by other nations.

We have an economic program devised by Peruvians for Peru. This is why we do not accept new loans under the economic conditions or the colonial protection of the IMF, which is the expression of modern imperialism. This is a substantial problem and there is a historic decision to be made, which will affect the basic life of all Peruvians, whether we subject ourselves to the imperial power of the richer nations, or whether we begin an independent and difficult path, but a path with a better future, will depend on this decision.

Only 4 months ago, I said at the UN General Assembly that we did not share the economic theories of the IMF because they were the theories that led us to bankruptcy over the last few years. I pointed out that the IMF imposed the U.S. dollar as the world currency, that it controls the economy of the poor countries, but it does not control the economy of the most powerful country in the world, which owns and issues the dollars. This is why that country makes us a satellite of its economy.

I also said that the IMF, in order to guarantee new loans, demands to intervene in the internal economy, and I warned that if this situation is not changed we would reconsider our membership in that institution. Now, after 4 months, we believe that our membership in the IMF is becoming more incompatible with the national and social objectives of this government. We are still a member of the IMF because we want to continue expressing our position to that organization. We want to call on other countries to take a new stand, and prove to them that the theories of the IMF are not valid and that it is useless as an intermediary in world economy.

We are engaged in a policy of growth and justice, a policy that cannot be implemented under the old IMF policies. This is the purpose of tonight's message, to call on the country for a policy of growth without attachments to foreign principles. The first 6 months of this administration were basically a struggle against inflation, and we must now take the second step.

A revolution is the national and social control over wealth, it is also the growth and development of resources and assets. Revolution cannot be made by proclaiming the distribution of misery in a stagnant economy. The government cannot limit its actions to control over prices in an economy that is not growing. We need a great national effort over the next 2 years in order to use all the idle resources of the country.

Our industry, centralized in Lima, continues to remain separate from Peru. As a result of poverty this industry does not have a market. In addition, this industry has been destroyed during the last 5 years by an open market policy that favored imports thus paralyzing the national industry.

Our agriculture, which by tradition is depressed and unproductive, concentrates the poorest Peruvians in the cities where they create a large underemployed social class involved in peddling. During the last few months basic measures have been taken by limiting imports, increasing consumption capacity, lowering interest rates, increasing agricultural credits, and creating direct assistance funds.

But this is not enough, a historic leap requires other measures and, above all, the conviction of the country to move ahead. For economic growth we need first of all to increase demand and the consumption capacity of the people because greater production in factories and on idle land will depend on consumption capacity.

This is why I would like to announce to the country the government's decision to order a general salary increase. Its first stage will be implemented this month. A wage increase which will not be a passing illusion; this increase should allow us to overcome price increases so that, for example, if inflation were 50 percent this year, the wage increase should surpass this figure.

In the public sector the wage increase in February will be 25 percent. For teachers, whose condition worries us, the salary increase will be 28 percent. Therefore, the average teacher's salary, which was 1,250,000 soles, will now be 1,615,000. [figures as heard]

In public and private enterprises without collective negotiations, the wage increase will also be 25 percent and the most important thing I would like to point out is that the wages of the 1 million Peruvians who earn the minimum wage will be considerably increased. When the APRA took over the government on 28 July, the workers on minimum wage were earning 360,000 soles. A wage increase was immediately ordered, raising their wages to 540,000 soles, and now with this increase in February the workers will earn 700,000 soles, thus almost doubling the wages they earned when we came to power.

This wage increase is ordered as a precaution against the price increases that may occur this year. Keeping in mind that if prices surpass this wage increase, the necessary corrective efforts will be made so that the working class will not lose its purchasing power as happened in the last few years.

Now, I would like to refer to the workers who, thanks to their organization, have the ability collectively to negotiate to obtain better salaries. I have seen negotiations in which requests have been made for wage increases comparable to the inflation levels of previous years.

It is true that in the last few years price increases came close to 200 percent but it is also true that in the last 6 months price increases have been reduced by 30 percent.

If the mistake of requesting wage increases in accordance with the situation in previous years is made, the only thing we will be doing is encouraging inflation by increasing production costs or issuing currency while production does not grow. Also, when excessive wages are paid to in one sector of the working class, other sectors that do not have negotiating capacity will find their wages inadequate.

This is why our realistic proposal for collective negotiation is to maintain real wages throughout the year and to increase them at a rate equivalent to our growth goals. However, the state does not only want to increase the consumption capacity of those who already have wages, but it also urgently wants to enlarge the number of consumers and workers. This is why an emergency effort was made to create a support program for temporary income, by which 50,000 extra families now have an income, a temporary income but an income after all, which will help improve their consumption capacity.

In addition to that effort, funds and resources have been created for social sectors which up to now have been unprotected. This is the case for example, of the peasant communities, which for the first time in history are getting an income directly from the state to carry out their projects. State funds have also been allocated to very poor provinces, which have been labeled microregions, for development projects.

This is the first part of the growth program. We need to increase the consumption capacity of the people in order to achieve our historic leap.

The second part of the growth program should achieve two objectives: increase production and prevent the wage increases from being passed along to prices. We know from experience that if prices go too high fewer products are sold, thus paralyzing the economy. But we also know that if the people's income is not increased there cannot be consumption capacity or production.

Therefore, it is worth asking how to increase wages without prices rising at the same rate. To achieve this we must reduce the other components of product prices. This is why the government has decided to reduce the sales tax from 11 percent to 6 percent.

Another decision was made to lower interest rates by 5 percent to reduce production costs; to lower electricity rates by 10 percent for industry and 20 percent for agriculture; and to lower the price of diesel oil by 10 percent to reduce transportation fares.

Naturally these measures are not going to automatically constrain the pressure for higher prices. Therefore, the state will carry out control measures to regulate prices in those cases in which despite these measures, production costs are higher than prices. The important thing in a price-regulation policy is to prevent prices from increasing faster than wage increases. This is the goal we have set for this year.

During the first 6 months of our administration, in the face of an inflation rate of over 200 percent, we were forced to carry out drastic control or freezing as an emergency measure to give relief to the people. In many cases this control was violated by speculators, but essentially it has allowed us to reduce inflation from 165 percent in the last 7 months of the previous government to 30 percent in the first 6 months of this administration.

In order to regulate prices we need a national effort. In this regard I would like to reiterate my request to the municipalities throughout the country because according to Article 68 of the Law of Municipalities, the local governments have the responsibility to watch over enforcement of price regulations and the control of supplies.

Therefore, we do not need either the complete freedom that leads to inflation and speculation, or a permanent freeze that creates paralyzation, which is an emergency measure. Just as the wage policies must stick to the objectives of inflation control and growth, the state will also continue watching production costs and prices to prevent abusive profitor monopolies. In this way by implementing the decree on monopolies, the state will exercise control and intervention to prevent large enterprises from abusing their dominant market position.

For example in the case of the industrialization of milk such as evaporated and powdered milk, we have found many irregularities and the formation of a monopoly which is prohibited by the Constitution. In Cajamarca the transnational enterprise Nestle produces powdered milk that it sells to National Enterprise for Industrial Marketing [ENCI] for 3,200 soles. ENCI then resells it at 1,500, thus subsidizing the operation of that enterprise. At the same time in Arequipa, Tacna, and Moquegua the same transnational Nestle, which owns Gloria Company, buys powdered milk from ENCI at 2,200 soles and sells it for 4,200 soles.

This contradiction benefits the transnational Nestle because in the north, Nestle sells us expensive powdered milk, and in the south Nestle buys inespensive powdered milk from us thus getting benefits in both cases from the state subsidy.

Moreover, the packaging of evaporated milk is uneconomical, because housewives throw 30 percent of its cost, that is, the cost of the tin can, into the trash can. In this obvious case of monopoly I hereby announce that the government will act in accordance with its powers.

The same thing has happened with the large multinational oil companies whose contracts were cancelled by the new government, which established a new set of rules, through which Belco Petroleum was expelled from the country, while Petroperu [state petroleum agency] takes over oil production in the sea, and Occidental Petroleum was compelled to accept new conditions.

Many objections can be made to this. The state does not claim that everything is perfect. Nothing is. However, there has been substantial and obvious progress in fundamental areas. The profit that Occidental Petroleum obtained per barrel of oil, which totaled $5 up to 28 July, has decreased to less than $1. Now the company is compelled to pay over 1 billion soles in taxes and to invest in the country, thus providing fresh money and improving a highly negative situation.

We are aware that there may be objections to this, but these are very small in relation to what has been achieved. The times of humiliation are over. If foreign capital is invested in our country, it will be done according to Peruvian laws.

The third part of the economic growth policy that has been proposed, in addition to expanding demand and avoiding an increase in production costs, aims at maintaining the value of the Peruvian currency so that it can match the value of foreign currency. In recent years, in view of the foreign debt payment policy and the overall import policy, the Peruvian sol suffered constant devaluations, and as the dollar price went up so did the prices of imported products, such as bread, noddles, and industrial supplies. But nothing of this sort is happening today in Peru.

Just as I announced in December 1985, the exchange rate will remain unchanged until 30 June. I can now add that there will be no change in the exchange rate for essential goods and supplies before the end of 1986. Therefore, for the first time in many years, the Peruvian currency will maintain its value for 15 continuous months. If necessary, the financial market will be used in the proportion that is necessary for exports, so as to guarantee their competitiveness on the international market.

In conclusion, through growing demand, lowered prices and production costs, by maintaining the exchange rate instead of implementing devaluations, and by imposing limits on the servicing of the foreign debt, we are promoting an economic growth policy aimed at all national sectors: agriculture, industry, and the social and production expenditures of the state.

Agriculture is the economic sector that is showing a slow reaction. Since for centuries it was left to oblivion and neglect, the agriculture sector is facing serious problems of production capacity. We have met those obstacles because we continue to implement an unproductive policy, and because we are still reaping what was sowed during the previous government.

We believe that if we are to achieve real growth in the agriculture sector, which is the best guarantee to achieve decentralization and democracy, we must make farm production a profitable business, that is, peasants should have profits. Up to now, few products have yielded profits. Only a few products have been guaranteed by the state; rice, for example. This is why the rice supply is generally normal. But other products, such as those produced in the highlands, have had no planning, and the profits of the peasants have not been guaranteed.

The case of potatoes is one such example. If any given crop is delayed, prices begin to rise on the market, and this temporarily high price prompts the farmers to double their production. As a result of this effort, the following crop is overabundant and prices crash through the floor, which discourages the farmers from planting potatoes again.

These ups and downs and this lack of planning benefits only small and big tradesmen, but not the peasants. The veritable revolution we are now launching is aimed at making the production of these foodstuffs profitable, that is, guaranteeing that the peasants can make a living regardless of the size of their land. For this the state has allocated 3 billion soles this year in a buffer fund that will guarantee the peasants a basic price for their produce. This basic price will allow the farmers to make a living and to expand their production.

During the first 6 months of this administration, credits have grown. Now credits will be increased even further, while at the same time interest rates on agrarian loans granted by the banks will be reduced once again in order to increase the production of foodstuffs. This is, indeed, a revolutionary development.

Interest on loans for agrarian purposes ran as high as 108 percent 6 months ago. Now interest rates on this type of loan are 25 percent for the coastal region, and 14 percent for the mountain region and the Andean area, that is Puno, the mountain Provinces of Cusco, Ayacucho, Abancay, and Huancavelica, as well as other provinces of Cajamarca, Huanuco, Ancash, Junin, Amazonas, Piura, and Loreto Departments. In all these places of the Andean area, the interest rate on agrarian loans will from now on be zero, that is, the government will not charge interest on loans granted to farmers, because these are the most impoverished areas in Peru, and we must seek their social rehabilitation through these measures.

This is a historic decision, because it means that the poor mountain region -- historically neglected for centuries -- that has been paying with its work and poverty the taxes that sustain Lima and the coastal region will have access to social justice through these interest-free loans.

This measure, as well as the reduced power rates and the reduced prices for fertilizers, will be the tools of the decentralizing revolution that we seek to accomplish.

Meanwhile, it is the government's duty to guarantee the supply of basic foodstuffs for national consumption while the domestic agricultural output grows. We have just increased wages, and this increase can affect the market immediately, but the growth of agricultural production is a slow process. Thus, this year we have established a fund for imports to ensure that imports will be resorted to more and more sporadically all the time, so as not to discourage the local farmers.

Our efforts will also be directed at giving back to the soil the social role it must play, which is to produce. We know that the land is frequently farmed in an irrational and unproductive manner that has distorted the purpose of the agrarian reform.

One example of this is Puno, where 44 cooperatives own 90 percent of the land allocated in this department under the agrarian reform. In these 44 cooperatives there are only a few thousand families, while there are more than 500 peasant communities with hundreds of thousands of families that have obtained only 10 percent of the land. In sum, the cooperatives have become the heirs of the landowners of the past who expropriated land that belonged to the communities, taking it away from the old residents.

Thus, in order to guarantee a better production and to restore the historical rights of the communities, the government has issued a decree reorganizing and reducing the size of cooperative enterprises in order to benefit the communities that will recover their historical rights and will be able to farm currently idle lands. This is a revolutionary development because it implies a broadening of the productive and social roles of the agrarian reform for the benefit of the most impoverished people.

However, the best chances for a speedy recovery and new jobs are to be found in the industrial and urban sectors. It is true that Peruvian industrial enterprises, mostly operating in Lima, often merely assemble foreign-manufactured products. However it is also true that our industry has been suffocated by IMF-inspired policies.

The imports of foreign goods and debts contracted in dollars have led our industry to its present crisis, a crisis for which the state is partly to blame. The blame for this industrial crisis is shared by the industrialists and the state alike, because the policies of the previous administration helped to plunge Peruvian industry into its present crisis, and now we are faced with a paradox: The books and accounts of the companies show that they are in the red and practically bankrupt, and we have quite a problem because there is money in the state banks but the state is unwilling to give any loans to the companies because it believes they are bankrupt without taking into account that the state itself helped bring about this bankruptcy.

In light of this problem, the state has decided to streamline the accounts of these companies to reactivate their productive capacity so these same companies can become elegible for state loans, as long as they are prepared to do their part to bring about the reactivation of the country. Thus, we hope that low interest rates will be reduced even further now. We hope that more credit and the other incentives we have been talking about will bolster industrial growth and increase and diversify nontraditional exports.

But all these efforts must be directed toward a great objective, that of responding to a social requirement and a historical demand of the people: more jobs.

In every district and province I have visited, especially in the shantytowns and the poorest places, I keep hearing the same call for work.

Peruvians do not want charity, they want work to make an honorable living, and as the head of a nationalist and popular administration I must propose the means to create jobs and satisfy the people's requirements.

Hundreds of thousands of Peruvians need jobs, and this cannot be accomplished through state actions alone. Through our program of assistance to those who are only temporarily employed, the government has already created 50,000 jobs. We are about to launch large infrastructure projects to create jobs, but most new jobs must result from activating the idle capacity of our industries and from increasing our agricultural production.

The state cannot order this to take place because to be able to do so it would have to place all Peruvian enterprises, large and small, under state control. Therefore, we urge all Peruvian businessmen and patriotic indsutrialists who have faith in the country to join the efforts of the government.

The great problem we are facing in this quest for new jobs is doubt concerning the possibilities of solving the crisis. This doubt is a fact, a very real psychological problem because it is the cause of the distrust being felt by capitalists and industrialists who doubt that Peru will be able to embark on a steady growth. Some are doubtful because of their bad political experience in the past, others because they would rather speculate with low production and increasing prices.

Despite the fact that inflation has been reduced, the dollar price maintained, and the reserves increased, many still believe this is something transitory and thus engage in a slow-down strike, which reduces the chances for reactivation. This is a great obstacle for the country.

Thus, when government officials propose to increase production and create job opportunities, they ask themselves the following question: What will happen if I add 100 workers to the factories in 1986? But if the situation worsens in 1987, then I will be stuck with the 100 workers and be in a deeper crisis.

This has been the situation in previous years, and the fear seems justified. It is a psychological but real obstacle. It is hampering production, and the only extreme measure with which to face it would be to place the entire economy under government control to manage it better. But this, of course, is neither Peru's desire, nor the government's objective. We believe it is possible to reconcile the ideas and to succeed in increasing the number of job opportunities in this emergency situation. We cannot stop because of mere speculations while hundreds of thousands are clamoring for a job to survive.

We need realistic solutions. On one hand, we have the capitalists' doubts, and on the other we have the labor organizations' demand for full labor stability. Moreover, we have the impatience and demands of hundreds of thousands of jobless Peruvians.

For this reason, I have asked the economy and labor ministers to seek a temporary and emergency formula that will help us deal with reality and create new employment opportunities for Peruvians. I believe we can guarantee full labor stability for those who are working today. At the same time, however, we want to launch an emergency labor program.

This could be achieved by organizing the unemployed into service cooperatives, or through a transitory solution that will reward the temporary job with a higher income, also guaranteeing social rights.

With this same objective during its first 6 months the government has created 50,000 job opportunities in the poorest sectors through the creation of a temporary assistance program. It is temporary employment. This is not the final solution, but it certainly is significant help to 50,000 families without resources, while we continue waiting for an economic solution for Peru.

In the agricultural and industrial sectors, the state will play the role of reactivation agent in two ways: through social expenditures, and through investments.

We believe the most important thing in a nonbureaucratic state is that expenditures be channeled to areas where they are most needed: social problems and survival.

This year, therefore, we will continue the effort by the Health Ministry to install 500 health centers to benefit the people in general. Many of these medical centers are already operating despite having been built with precarious means. To this we are going to add a national medicine program and vaccination campaign.

The other basic program, that of drinking water, will continue receiving preferential treatment from the government both in the cities -- where the number of projects has been doubled -- and in the villages and communities, by treating the water to make it drinkable.

Moreover, state expenditures will not be centralized in the cities or in urban institutions, but will be directly allotted to the communities and microregions, thus guaranteeing the nonbureaucratic use of state money for social purposes.

In investment programs, however, we will invest and spend according to different rules. Large foreign companies will no longer draft great programs and ignore the human employment factor, machines will no longer replace the man who needs wages. On the contrary, programs will provide jobs.

It is obvious that, in view of Peru's present economic condition, there are not enough resources to make these investments. We have no money for large expenditures. People must be made aware of this and understand the situation. But I believe that, although modestly, we can undertake some programs that in due time will help to promote national development.

Just as we have undertaken the Chao, Viru, Moche, and Chicama irrigation program in La Libertad Department, we intend to expand and undertake the irrigation of the left bank of the Santa River. We also intend to undertake the historic Cachis River program which was proposed by Bolivar in Ayacucho; the electrification of the Ica Valley, which will enable us to save oil; the definitive study of the Sangaban hydroelectric project in Puno; the agricultural development of the Majes plains, in order to take advantage of the enormous investments that have been made. We have criticized these investments.

All these projects and others will be undertaken. They will probably lack the speed of those that were built when it was possible to obtain credits that indebted the country because today the country is experiencing financial restructions. We can, however, at least start or continue them, modestly and through human work, and in so doing, the state will take part in the reactivation of economy.

In all, our purpose in this second phase is reactivation, and for this year it is to increase our internal consumption level, reduce costs, control prices, maintain the exchange rate, decrease interest rates to zero (in some regions), promote industry and agriculture, and propose the creation of a bold employment plan, as well as to direct state activities toward national growth. We are thus confirming the programs we started 6 months ago. That is, to reduce inflation progressively and to really democratize Peru.

When the APRA government took office based on ideals loyal to those principles laid down by [APRA founder Victor] Haya de la Torre and the APRA doctrine, I said that our society is distributed in a pyramid of injustice and that our goal is to change this structure slowly but surely. At the top part of this pyramid we will proceed to control monopolies, to restrict the profit of oil companies, to restructure taxes that have already been implemented, and to limit the profits of large companies; while at the other levels we seek to progressively improve the standard of living of our laborers, and more so, of that sector encompassed in the minimum salary group. For those at the forgotten base of the pyramid, we intend to make available zero-interest-rate financing to the depressed Sierra region; to offer assistance to communities and microregions; and to establish a 3 billion-soles fund for the agriculture sector. For the marginal urban sector we intend to create 50,000 new jobs, to extend the health services, and to curb inflation, which has previously been a sort of tax on the poor people.

I appeal for the assistance of the Peruvian people once again to achieve all these objectives; but more important, I appeal to their conscientousness, their reasoning, their conviction, and their will.

Now I would like to discuss the second subject of my speech:

Domestic Order

All Peruvians are aware that in the last 6 years, violence and unrest have increased, causing thousands of deaths, losses totalling hundreds of millions of soles in property losses, and increased instability.

No government can tolerate this situation, especially not a populist and nationalist government like ours. First it was the Andean violence, which started in Ayacucho, and during the repression of which there were reports of some excesses. Some say that the cause of this violence was misery. We believe we must differentiate between the just claims of those peasants condemned to use communal land, and the claims of those who commit, or are involved in crimes for the sake of a dogmatic and totalitarian ideology.

As a state we take up the claims of peasants and we struggle to answer them. We repudiate crime however, and we cannot forget it, especially when this type of violence resorts to caciquism and slavery, and when armed groups terrorize Andean communities, recruit them by force or through the use of primitive slogans, take advantage of poorly fed and precariously armed peasants, and use them as cannon fodder to confront the forces of order.

We repudiate violence because violence always favors those who carry guns. But we repudiate even more this kind of violence because totalitarian groups resort to the senseless and inhuman use of [redacted]an communities, which they threaten with death.

The government has confronted this problem in all its aspects. Despite the fact that there are still armed and subversive groups in the zone under state of emergency, no one can deny that it is these terrorist groups and not the state that is responsible for barbarism and excesses.

Government forces have not committed illegal excesses or executions in the last few months because it is the rule of a democratic state not to answer barbarism with barbarism. Therefore, those reports, which in many cases are either biased or wrong, that are circulating about excesses are referring to incidents that occurred in previous years because today there is a more selective and cautious action that, in addition to reasserting the civilized nature of our state, safeguards the image of our Armed Forces, which cannot be distorted or blemished because they are essential national institutions.

The government is promoting support programs for isolated areas to show their inhabitants that democracy can also bring well-being to them and that it is concerned with identifying criminals who may have been charged unfairly or for political reasons.

But we have witnessed that despite the government's democratic and nationalistic attitude, apparently they have no wish to achieve peace or to reinstate themselves in our democracy. We shall not yield in our efforts to urge and persuade them to do this. This is why, despite any obstacles, we reassert the need for a peace commission to issue constructive criticism against the government with the objective of promoting peace and avoiding excesses. This does not mean we are lowering our guard in our struggle against violence.

In the last few months we have had to confront violence not just in the Andean region. Now that it has been confined to the hills, well-planned violence has appeared in the cities aimed at destroying the new democratic thrust.

We do not, however, discard the possibility that new reactionary groups that have recently appeared may have the objective of destroying the government's nationalistic and populist efforts.

The successive attacks, arson, kidnappings, and murders make us think about professional violence. Faced with this as well as other types of violence, the state cannot remain aloof because it would be very dangerous for democracy to fail to defend itself, allowing itself to be blackmailed and destroyed.

Thus, the government has issued a supreme decree establishing as of today the state of emergency in Lima and the constitutional province of Callao in order to curb the violations of domestic order and peace by suspending constitutional guarantees and putting the Armed Forces in charge of preserving domestic order as long as the state of emergency remains in effect. The government has also levied a curfew in order to better control order.

Thus, we want to confirm that democracy is justice, tolerance, and flexibility, but it is also authority, with repressive severity against those who want to destroy it.

I call upon the people to come to the defense of democracy, which cannot be weakened by this effort to limit our opportunity for development and justice.

I also want the Peruvian people to help us fight terrorism, regardless of its origin, whether of the right or the left, because terrorism is fighting against this government of the people, and because it hinders democracy and the people's justice.

It is the duty of all Peruvians to put an end to the irrational action of these misguided people. No one can remain with his arms folded and watch what is happening in Peru.

The struggle against injustice and underdevelopment, as well as against violence and crime, is not just the task of the state. We do not want impassive Peruvians who are merely spectators. He who is not against violence is for it. And he who is not in favor of democrary is against it.

There is a clear and definite line that now forces us to take a position in defense of justice and in defense of freedom. Thus, we want everyone to help up put an end to irrational actions and to violence. We want an egalitarian social development and the redemption of the poor. We will achieve this by strengthening the democratic order.

We will not, however, use the same principles of authority or order that were used in the past. Then the principles of authority or order that defended order were the privileges of the large landowners, the transnational companies, and the exploiters.

Since 28 July we have talked about a principle of authority overwhelmingly supported by the people in their objective of establishing a new order of social justice. For these three subjects discussed tonight, I ask for the help and support of the people. I ask for the aid of my own party, the party of Haya de la Torre, which is made up of militants with conviction, who see in their government the long-awaited start of the building of a new Peru. Their objective is to reconstruct the country, and not just an opportunity to receive benefits from the budget.

I ask them to help. I ask the real APRA members and not those who are just joining us at the hour of victory. I ask for help from citizens whose objective is justice, peace, and life. To all Peruvians I ask for their effort, and I tell them that with that effort, democracy will not be disheartened, justice will not be stopped, the fatherland and the people will continue firm in their march toward the future. Thank you.

GOVERNMENT NAMES NEW PEACE COMMISSION MEMBERS

PY140115 Paris AFP in Spanish 2213 GMT 13 Feb 86

[Text] Lima, 13 Feb (AFP) -- The Peruvian Government today named the new members of the peace commission that President Alan Garcia created. The commission was created in an effort to begin a dialogue aimed at ending subversive violence and preserving human rights in the face of subversive actions.

The peace commission, which was created on 14 September 1985, was reduced from 6 members to 3. The former members resigned on 22 January, claiming that they were not receiving enough cooperation.

The new members are Dr Fernando Cabieses, who heads the commission, sociologist Cesar Rodriguez, and Engineer Mario Samame Boggio. Cabieses and Rodriguez were members of the original commission that resigned on 22 January. Cabieses said that the commission will advise the president on matters dealing with violence, that it will study this phenomenon and promote educational campaigns to help reduce it.

LATE REPORT: FOREIGN DEBT PAYMENTS POSTPONED

PY141250 Lima Radio del Pacifico in Spanish 1200 GMT 14 Feb 86

[Text] The government has postponed foreign debt payments for 6 months. This resolution is contained in a supreme decree signed by Economy Minister Luis Alva Castro.

FOREIGN MINISTER ON CONTADORA-SHULTZ MEETING

PY131808 Paris AFP in Spanish 0312 GMT 13 Feb 86

[Text] Montevideo, 12 Feb (AFP) -- Uruguayan Foreign Minister Enrique Iglesias today said that the Contadora Group has told the U.S. Government that the U.S. decision to continue supporting the rebels who are fighting the Nicaraguan Sandinist regime is contrary to the attitude of the Contadora Group. Iglesias returned to Montevideo tonight after participating on 10 February in a meeting with U.S. Secretary of State George Shultz and the eight foreign ministers of the Contadora Group and its Support Group.

Iglesias, who participated in the meeting with the foreign ministers from Colombia, Mexico, Panama, Venezuela, Argentina, Brazil, and Peru, said that the meeting in Washington was positive, but warned that the problems remain and there are considerable disagreements. He pointed out that this sort of consultation is totally new in the history of Latin American diplomacy and added that it is marked by U.S. willingness to establish a dialogue with the Contadora Group and its Support Group. He said that the different opinions were explained frankly, and despite the fact that the United States agreed with the Latin American foreign ministers on their final objective, there were problems about how to attain it.

Iglesias questioned President Reagan's decision to continue supporting and supplying the Nicaraguan contras, saying that this attitude is contrary to efforts made by the Contadora Group. There are other attitudes that are not favorable to the peaceful atmosphere we are seeking, but one of the essential points we stress is that all aid to the groups operating in the region must cease, Iglesias said, adding that peace will not be possible until this is achieved.

Iglesias said that he had brought some special messages from President Reagan for Uruguayan President Julio Maria Sanguinetti. He also reported that Harry Shlaudemann, U.S. roving ambassador for Central American affairs, will arrive in Montevideo to meet with Sanguinetti 17 February.

The Uruguayan foreign minister confirmed that the Cartagena Consensus followup committee, in which the 11 most indebted countries of Latin America are members, will meet soon at Punta del Este (139 km east of Montevideo), although the date has not yet been confirmed. The meeting, he said, will be held at the request of the presidents of Mexico, Miguel de la Madrid, and Venezuela, Jaime Lusinchi, who have expressed the need to discuss the spectacular fall of oil prices as soon as possible. The Cartagena followup committee comprises Argentina, Brazil, Colombia, Mexico, and Venezuela. Uruguay, where the temporary secretariat of the regional agreement is located, will also participate in the Punta del Este meeting. Iglesias said that the fall of oil prices must not be regarded as an isolated problem, because in the long run these sudden fluctuations will not favor anyone.

GOVERNMENT DECREES 18-PERCENT SALARY INCREASE

PY131913 Madrid EFE in Spanish 0300 GMT 13 Feb 86

[Text] Montevideo, 12 Feb (EFE) -- Uruguayan President Julio Maria Sanguinetti today decreed an 18-percent salary increase for all Uruguayan workers. The salary increase, the first implemented by the democratic government, apart from the laws regulating workers-employers negotiations, prompted an immediate reaction by trade unions.

The trade unions have demanded that the salary councils be convened. The government however has stated that "this time" it would officially set the salary increase. The official decision was regarded as "a return to dictatorship" because there were no trade unions allowed in Uruguay under the military regime and salary increases were established by decree. This salary increase will be effective until 31 May 1986.

The trade unions term the increase as insufficient because inflation has reach 25 percent over the last quarter. According to the governmental Statistics and Census Directorate, the January inflation rate was 5.65 percent. The Interunion Workers Plenum [PIT] and the National Convention (PIT-CNT) had asked for a 30-percent increase.

SWEDISH DEPUTY FOREIGN MINISTER ARRIVES

PY121533 Paris AFP in Spanish 1332 GMT 12 Feb 86

[Text] Montevideo, 12 Feb (AFP) -- Swedish Deputy Foreign Minister Pierre Schori arrived last night in Montevideo on a 24-hour visit. He will hold meetings with Uruguayan President Julio Sanguinetti and opposition leaders. Shortly after arriving, Schori stated that during the dictatorship a wall confined Uruguay. He said that this is an initial political visit to get better acquainted with the Uruguayan leadership.

According to Uruguayan Foreign Ministry sources, while in Montevideo, the Swedish visitor will discuss the Latin American foreign debt issue and the efforts being made by the Contadora Group to achieve a peaceful solution to the Central American crisis. During the meeting with Schori, Sanguinetti will formalize an invitation for Swedish Prime Minister Olof Palme to visit Uruguay in 1986.

BRIEFS

NEW SUPREME COURT PRESIDENT -- The Uruguayan Supreme Court yesterday appointed Armando Tommasino as its president for the current year. [Summary] [Montevideo EL DIA in Spanish 4 Feb 86 p 6 PY]

SEPULVEDA MEETS WITH UN SECRETARY GENERAL

FL130252 Mexico City NOTIMEX in Spanish 2145 GMT 12 Feb 86

[Text] United Nations, 12 Feb (NOTIMEX) -- After meeting with UN Secretary General Javier Perez de Cuellar, Foreign Secretary Bernardo Sepulveda Amor said this afternoon that the United States wants a politically negotiated solution to the Central American problem. It seems to me, he added, that we should work in that direction and put that idea into action.

Later, upon referring to the meeting held Monday in Washington between eight Latin American foreign ministers and U.S. Secretary of State George Shultz, Sepulveda Amor said that this process continues the evolution of the UN international assistance projects presented by Mexico as a result of the September earthquakes. The UN Assistance Committee is the coordinating organism and driving force for the execution of those projects.

During this meeting with Perez de Cuellar, the foreign secretary discussed the Latin American economy, principally the general fall of raw material prices. It is a phenomenon that affects tin as well as meat, wool, oil, cereals, and other basic essential Latin American products.

Upon referring to the nine-point Caraballeda document, Sepulveda Amor said that to create the confidence that is indispensable for attaining peace, both security and democracy in Central America are necessary for the nine points to be put into simultaneous operation.

We do not think it would be adequate to put one of the points into action and exclude the others, he said. They must be applied jointly, assigning responsibilities to the distinct parts.

OFFICIAL EXPLAINS UN VOTING POLICY WILL NOT CHANGE

FL130236 Mexico City NOTIMEX in Spanish 2136 GMT 12 Feb 86

[Text] Mexico City, 12 Feb (NOTIMEX) -- Alfonso de Rosenzweig, foreign affairs deputy secretary, said here today that Mexico will not change its international policy at the UN forum even though in some cases the policy does not coincide with the interests of other countries. He recognized that Mexico's vote and attitude on certain topics discussed at the United Nations has irritated certain countries, but he said this has always been done in accordance with the principles of Mexican policy and interest.

De Rosenzweig said: Mexico always votes at the United Nations in accordance to the principles of our policy and traditional interests. Obviously, in some cases, Mexico's goals do not concide with the interests of other countries, and we regret this, but we defend our interests, and there is no reason to change, he said.

Interviewed outside the presidential residence of Los Pinos, De Rosenzweig also discussed the situation in Central America and the Contadora Group's peace efforts. The situation has not improved, but Contadora will continue its task as long as the problem exists, said the Mexican diplomat. He added that it is not possible to expect a rapid solution.

De Rosenzweig also said that the Contadora Group will continue to work and be attentive to events, even though there is opposition to the Contadora Group's efforts. Everything possible will be done to avoid aggravating the situation, he said.

SECRETARIAT DENIES NEW CREDITS REQUESTED

FL122217 Mexico City NOTIMEX in Spanish 2150 GMT 11 Feb 86

[Text] Mexico City, 11 Feb (NOTIMEX) -- Mexico might be able to amortize the payment of its foreign debt service if foreign banks lower their interest rates, it has been asserted by the Mexican Finance and Public Credit Secretariat.

The secretariat stated that the Mexican Government has not decided yet what economic policy will be adopted concerning the crisis, which has worsened the international oil market's instability.

So long as this is uncertain, it added, Mexico will not be able to decide what measures will be adopted, so it is merely studying the effects of the sharp decline in crude oil prices.

The secretariat added that there is optimism in the economic cabinet, because the international banks will lower their interest rates, and Mexico would be able to pay a large amount of its debt interests, which would be an amortization of the debt itself.

In addition, the secretariat said that the government has not requested more credit from the international banks, as it was claimed this week.

Mexico cannot negotiate new credits, because they must first be approved by the nation's congress, and this approval has not been requested.

DEPUTY SECRETARY DISCUSSES GATT MEETING RESULTS

PA131742 Mexico City XHDF Television Network in Spanish 1955 GMT 12 Feb 86

[Report by Humberto Salgado from Geneva, Switzerland]

[Text] Today, during the monthly GATT meeting, in which political solutions and international commercial problems of member-states are evaluated, Mr Luis Bravo, deputy secretary of commerce and industrial development, outlined Mexico's commercial policy, a topic that attracted the interest of GATT specialists.

As Mexico's official representative, Luis Bravo will also visit other European countries to seek a program of commercial exchanges. He made some comments for "Imevision Newscast" at the GATT Reception Hall:

[Begin recording] [Salgado] Mr Bravo, what kind of reaction did you receive from your presentation of Mexico's foreign commercial and economic policy before GATT?

[Bravo] It was very positive; a work group that will consider the country's GATT membership was unanimously established. This is a first step in our country's admission; a schedule was set to ensure that a protocol for our country's admission will be fully completed in order to submit it for the approval of the members involved.

[Salgado] Is the acceptance of Mexico in GATT vitally important?

[Bravo] We think it is very important to have assured access to international markets in view of the economic policy being implemented by our country of opening its economy and promoting exports. Our membership in GATT gives us that security.

[Salgado] Thank you very much. [end recording]

LABASTIDA RETURNS; PLANS OIL STRATEGY MEETING

FL132128 Mexico City NOTIMEX in Spanish 0405 GMT 12 Feb 86

[Text] Mexico City, 12 Feb (NOTIMEX) -- Mexico will not alter its goals for the petroleum industry and will only change its strategy to avoid an oil price war, Secretary of Energy, Mines, and Parastatal Industry Francisco Labastida Ochoa said upon his arrival in this capital.

After completing a trip through Europe and the Middle East in the company of Venezuelan Minister of Energy and Mines Arturo Hernandez Grisanti, the Mexican energy secretary said he will meet with President Miguel de la Madrid next week to draw up a new oil strategy without affecting national interests.

Labastida Ochoa stressed the fact that the situation of the present world crude oil market is quite difficult because no agreement on oil prices is in sight. He explained that if Mexico and Venezuela withdrew from the oil market, other nations would take over their sales because Mexico and Venezuela together produce only 12 percent of all the oil consumed. The Mexican official said that Mexico has enormous potential without the foreign exchange provided by oil but that hard work by all the country's productive sectors is required to develop this potential.

Labastida Ochoa traveled to Geneva, London, Cairo, and Vienna to evaluate the present situation of the world oil market and to study its evolution, complications, and possibilities.

WELL DRILLING CANCELLED DUE TO OIL PRICE DROP

FL140210 Mexico City NOTIMEX in Spanish 0002 GMT 14 Feb 86

[Text] Mexico City, 13 Feb 86 (NOTIMEX) -- The projects for drilling and exploiting two oil wells off the coast of the Mexican port of Veracruz have been cancelled due to the drop of oil on the international oil market, the Mexican Chamber of Deputies has announced.

The president of the Fishing Commission of the Chamber of Deputies added that work on the wells Cacholote Primero and Enegada 101, in the Gulf of Mexico, will be suspended until the prices on the international oil market stabilize.

'HINDUS' LINKED TO GANDHI MURDER ARRESTED

PA131700 Paris AFP in Spanish 1637 GMT 13 Feb 86

[Text] Mexico, 13 Feb (AFP) -- Twenty-nine Hindus, "presumably linked to the assassination of Indira Gandhi," were arrested by the Mexican Interior Secretariat and are being investigated, an immigration official announced today.

The Hindus were arrested last Wednesday in Oaxaca -- 500 km south of the Mexican capital -- shortly after entering the country through the border with Guatemala, said Jose Jimenez, and employee of the immigration office in the area. The prisoners, whose names were not disclosed, were planning to seek asylum in the United States, according to the same source. Before arriving in Mexico, the official said, the Hindus were in Pakistan and later travelled to Panama. Without providing further explanations, Jimenez said that the prisoners had participated in the assassination of Indian Prime Minister Indira Gandhi, because of which they were transferred to the Mexican capital to be investigated.

FSLN COMMANDERS REPORTEDLY OWN LOCAL COMPANIES

PA130024 Panama City LA PRENSA in Spanish 11 Feb 86 p 10 A

["Other Media" column: "Sandinist Leaders Have Companies Abroad"]

[Text] The latest issue of the biweekly magazine FORO CENTROAMERICANO reports on a number of private companies owned by nine Sandinist commanders. Most of these companies are abroad, resulting in a loss of foreign exchange badly needed by the deteriorating Nicaraguan economy.

The published list contained only some of the corporations owned by some of the commanders, but all the corporations are administered by Foreign Trade Minister Alejandro Martinez Cuenca. The more visible leaders in this private commander's consortium after Martinez Cuenca are Luis Lacayo, first cousin of dictator Anastasio Somoza Debayle, Bernardo Chamorro Cuadra, nephew of present [as published] Finance Minister Joaquin Cuadra, and Wilfredo Delgado. The banks the commanders use to carry out their operations in Panama are the "Banco Sudamerikansich and the Banco Aleman."

Some of the companies owned by the commanders are the following:

Holding Investment Corp., based in Managua. The manager is Paul Atha, who has been implicated in international drug trafficking. The owner of this business is Tomas Borge.

Analib; also based in Managua, located in the Bolonia neighborhood. The manager is Salvador Abdala, and the owner is Commander Jaime Wheelock.

Shipping Service, based in Panama. The manager is Raul Romero, and the owners are Commanders Humberto Ortega and Tomas Borge.

La Moderna, S.A., also located in Panama. The manager is Augustin Lancho, and it is owned by Sandinist Defense Minister Humberto Ortega.

Commercial Latinoamericana, which operates in Panama. Augustin Lancho is listed as manager, and the company is owned by Commander Daniel Ortega.

Trans Group, also located in Panama, is owned by Jaime Wheelock.

Aero Commodities, based in Madrid, Spain, is also owned by Jaime Wheelock.

World Commerce Center, a luxurious commerical center located in Toronto, Canada, is owned by the nine commanders of the FSLN National Directorate.

Deltone Trading Corp, located in Ontario, Canada. The owner is Foreign Trade Minister Alejandro Martinez Cuenca.

According to FORO CENTROAMERICANO, one does not need much imagination to figure out how these companies are financed, because with the sole exception of Luis Carrion, the only bourgeois commander in the National Directorate, the others were revolutionaries who lived cladestinely and supposedly endured hunger and suffering.

(LA PRENSA note: Taken from Radio Impacto, San Jose Costa Rica)

COSTA RICA

NICARAGUAN EXPLANATION ON LAS CRUCITAS ACCEPTED

PA140405 San Jose Radio Reloj in Spanish 0100 GMT 14 Feb 86

[Text] With an exchange of official notes signed by the presidents of the two countries, Costa Rica has accepted the Sandinist government's explanations over the events that occurred at the border area of Las Crucitas on 31 May. Although the Managua government's note does not explicitly offer excuses or accept responsibility for the deaths of the two Civil Guards and the wounding of 10 others, the Costa Rican Government considers its demands fulfilled. Based on this exchange of notes, the process for normalization of the frozen diplomatic relations between Costa Rica and Nicaragua has been initiated.

In the context of the OAS commission report dated 28 June 1985, the Nicaraguan government deplores the fact that the actions it was forced to take to defend its territory and national sovereignty against raids by mercenary forces from other countries resulted in the deaths of two Civil Guards, the note signed by Commander Daniel Ortega Saavedra said. The note also added that this same constant defense of the country, which is continuously being attacked, might have caused the unplanned violation of Costa Rican air space by Nicaraguan aircraft.

Elsewhere in the note, the Sandinist leader said Nicaragua reiterates that it does not plan any aggression against Costa Rica and only wants to base its relations with this country on respectful, peaceful, and constructive coexistence for peace between the two peoples and governments. As an expression of this purpose and a clear willingness to eliminate all obstacles to this objective, the Nicaraguan Government deplored the incident. In addition, Nicaragua acknowledged Costa Rica's efforts so the border area [words indistinct] and urges this country to continue these efforts.

The exchange of notes took place in the Foreign Ministry at noon, although the Costa Rican charge d'affaires in Nicaragua, Carmen Rojas, received the official note yesterday, Wednesday, at 1800. Nicaraguan Ambassador to San Jose Leonor Arguello delivered the official note to Costa Rican Foreign Minister Carlos Jose Gutierrez and received an answer by President Luis Alberto Monge accepting the Managua government's explanations. She said she expects these to be firm steps to strengthen relations between the two countries.

In the note delivered by Gutierrez to Arguello, which was addressed to Ortega and signed by Monge, the president said Costa Rica receives and accepts the Nicaraguan Government's explanations for the incident. He also said the explanations are effective steps for a permanent, respectful, and peaceful coexistence between the two nations. The Costa Rican Government has called for permanent peace and has made efforts in this direction, Monge said.

He also said: The Nicaraguan Government's statements have caused us to harbor hopes for an effective peace in Central America. Peace is an urgent ambition and need -- beyond the government's purposes -- for all peoples, Monge added. In addition, he said the problems between the two countries originated in the fact that they share common borders, and this requires the two countries to take joint and effective steps for a lasting and constructive peace, even though ideological, political, and social differences exist.

In the note, Monge also said Costa Rica is a representative democracy [words indistinct] peaceful relations with all peoples and governments of the world, he added. He further said the two countries should proceed to normalize diplomatic relations and continue their efforts so peace and tranquillity can exist in the border area. As a means to attain peace in the common border area, the president proposed to Nicaragua that the two countries jointly ask the Contadora and Support Groups to establish a force for permanent inspection and vigilance at the common border.

Monge thus reiterated a request that had been officially presented at the OAS last year after the Las Crucitas incident and because of the continued incidents at the border. Costa Rica expects Nicaragua to accept this proposal to guarantee vigilance and neutrality in the country in the face of Nicaragua's domestic conflict. Saying Costa Rica is satisfied with the Managua government's explanations because an objective has been attained and that it must be admitted that an action against Costa Rica has occurred, Gutierrez said the process for the normalization of relations will begin tomorrow.

Credentials will be prepared so Oscar Castro, Costa Rican ambassador to Managua, can travel to Nicaragua next week. In addition, Claudia Chamorro Cardenal, daughter of the murdered journalist Pedro Joaquin Chamorro, will be approved as the Nicaraguan ambassador to Costa Rica. Gutierrez also said that next week contacts between the ministers of economy of the two countries will be initiated so mechanisms can be established in order for Nicaragua to be able to tackle a $200 million debt.

NICARAGUA VIOLATES AIRSPACE IN BOCA DE SAN CARLOS

PA131246 San Jose Radio Reloj in Spanish 1210 GMT 13 Feb 86

[Text] Costa Rica will protest the incursion of Sandinist helicopters. The report of a new incursion by two Sandinist helicopters into Costa Rica's airspace in Boca de San Carlos area reached the Foreign Ministry yesterday afternoon. The Public Security Ministry said in the report that late last week two Sandinist helicopters entered our airspace. The civil police outlook post in the area opened fire using .50 caliber machineguns, but failed to hit either of the two aircraft, which then returned to Nicaragua.

On the basis of this information, the Foreign Ministry is preparing a new protest note that it will submit to the regime in Managua to demand that it respect our airspace if it wishes to maintain peaceful relations.

EL SALVADOR

DUARTE SAYS U.S. AID VITAL FOR DEMOCRACY

PA140213 San Salvador LA PRENSA GRAFICA in Spanish 13 Feb 86 p 14

[Text] Salvadoran President Jose Napoleon Duarte has said the U.S. Government's aid is vital for maintaining and strengthening Salvadoran democracy. He added that the terrorists tell lies, such as saying that this aid is to attack the people, while the opposite is actually true. This aid is used to help the people through all kinds of projects for their good. He made these statements at El Triunfo port during a ceremony to open 42 schools in Usulutan Department.

Duarte stressed the importance of the U.S. Government's aid to El Salvador and said the country would be ruined if it did not receive this aid.

He also said the faces of all those present at the ceremony showed gladness and thanked the U.S. Government through its representatives, who were also there, for this aid. They were James Bond, senator and member of the commission for assistance to the Central American people, and Louis Camenbert, an AID representative, who was a former schoolmate of Duarte's at a U.S. university.

In conclusion, Duarte said he conceives of economics as a discipline at the service of man, and not the other way around; that is to say, man should not serve economics. He added that for this reason he is making an effort to imrove the Salvadoran people's social and economic situation.

CARTER MEETS FDR-FMLN LEADERS IN MEXICO CITY

PA140129 (Clandestine) Radio Farabundo Marti in Spanish to El Salvador 2300 GMT 13 Feb 86

[Text] Three members of the FDR-FMLN's political and diplomatic commission met with Jimmy Carter, former U.S. president, in Mexico City on Tuesday, 11 February. Guillermo Manuel Ungo, Ruben Zamora, and Salvador Samayoa said the meeting with Mr Carter was positive and that the main topic discussed was the violation of human rights in El Salvador. In addition, and after meeting with the FDR-FMLN comrades, former President Carter said in a news conference that Central American leaders are more willing to reach a negotiated peace accord than he was inclined to believe.

He also indicated that the United States should rely more on a political peace process in Central America than on a military one. Mr Carter's words clearly refer to the warmongering policy that the Reagan government fosters in Central America and that has become the most important obstacle to peace in the region. Likewise, Mr Carter's meeting with the members of the political and diplomatic commission indicates the high degree of international recognition that our fronts enjoy as the genuine representatives of the Salvadoran people.

VENCEREMOS REPORTS CREATION OF NEW LABOR FRONT

PA121622 (Clandestine) Radio Venceremos in Spanish to El Salvador 0000 GMT 11 Feb 86

[Text] The broadest labor front ever in the country's history has been created. Approximately 1,200 delegates who met on Saturday created the National Union of Salvadoran Workers, [Union National de Trabajadores Salvadorenos], UNTS, which is a broad front comprising Salvadoran workers. At the moment the front was created, its members demanded that the Napoleon Duarte government abrogate a number of economic measures [words indistinct] (?to end) the armed conflict.

Radio Venceremos will report now on the creation of the UNTS, an event which was also reported by workers through communiques issued in different news media in the country.

Attending the meeting creating the UNTS were representatives from over 100 labor, trade, and professional organizations in the country. Approximately 1,200 delegates attended, including the Democratic Popular Union, UPD. (?The meeting) was held in the Jose Simeon Canas Square instead of at the Students' Circle because the guards there stated they had received orders not to let anyone in.

This event started at 0830 and ended at 1230. Here are some of the points that were discussed: The delegates analyzed the government's plan for stabilization reactivation, known as the economic package.

They suggested to the regime that the package be abolished, arguing that it hurts workers, especially in those areas in which there has been a rise in the prices of fuel, agricultural products, construction materials, basic staple products, medicine, and public service.

The UNTS said the government must complement the abolition of the economic measures with the following measures:

1. The government should quickly begin a study on the social, economic, and political crisis, without demagoguery or (?partisan bias), taking all of the country's forces into consideration.

2. The government must decree an across-the-board wage hike in rural and urban areas. This increase must be in line with the cost of living increases that stem from the economic package. The hike must include all state and private employees, and must be accompanied by a price freeze.

3. The UNTS demands that the government absorb the debts of cooperatives and small and medium businesses because these debts, in dollars, have multiplied as a result of the devaluation.

4. The Agricultural and Livestock Bank should sell agricultural products at the prices offered in 1984 and 1985, and credits from interest [word indistinct] credits be maintained at the same level as last year.

Moreover, the UNTS is demanding that the Institute of Supply Regulation, IRA, subsidize the prices the (?middlemen) receive so they may obtain a minimum profit rate of 25 percent.

5. The government must [words indistinct] reopening and creation of new sources of jobs that may provide jobs to unemployed workers.

The UNTS, which was created Saturday by over 100 labor and trade unions, includes the following demands to the government:

In the agricultural field the government should begin the second phase of the agrarian reform and exonerate cooperatives in the reformed and non-reformed sectors from the agrarian debt.

In addition, the UNTS demands that the government implement this policy by granting credits at low interest rates.

7. [number as heard] [Words indistinct] existing health centers and construct new centers with sufficient equipment, medicine, and personnel to attend to the medical needs of the populations and implement disease prevention and environmental hygiene campaigns simultaneously.

In the educational field, the UNTS demands the opening of enclosed educational centers, the reconstruction of new centers, and the reconstruction of those destroyed by war. They also demand an enlargement of the University of El Salvador by assigning the necessary economic resources, equipment, and personnel to all educational centers, allowing them to attend to the entire student population.

In addition, the UNTS demands that the government implement a real and not demagogical adult literacy program to eliminate illiteracy in the country and establish what the workers call our own culture.

9. [number as heard] Via the Urban Housing Institute, IVU, the [word indistinct] and the Social Housing Fund, a broad plan for the reconstruction of houses at cost must be carried out by taking into consideration the increased size of families because the great objective should be to provide housing to all Salvadorans.

10. Respect for human rights must be guaranteed by putting an end to persecutions, jailings, disappearances, and murders of laborers, students, peasants, professionals, and other citizens. These measures must take place through the repeal of all those decrees restricting all social and economic rights of the Salvadoran population.

11. As for the displaced and refugee population, the government must create real, not demagogical, conditions to allow them to reconstruct their patrimony as in the case of Tenancingo, where integral development programs are taking place among the population.

12. The government must make its pacification policy effective by completing it with a resumption of a dialogue with the FMLN and FDR, by creating conditions to end the current conflict, and by allowing the resources being spent in the war to be used in implementing socioeconomic development programs to benefit the Salvadoran population. Only then will we be able to talk about a real peace in El Salvador.

Finally, the UNTS demands that the homeland's independence be recovered by stopping the practice of obtaining economic resources at the expense of compromising the country's sovereignty. In this regard, the UNTS said: The U.S. Government can continue to give us economic aid if it wishes, but it must be for the promotion of social development programs, not for the war.

The UNTS also voiced solidarity with the following demands:

1. Establish a program for hospital care for state and municipal employees and their families.

2. Establish a dignified retirement program for state and municipal workers after 30 years of service without an age limit with 100 percent of basic regular salary and [word indistinct] of 1,500 colones.

3. Establish 14 annual payments for state and municipal employees, including a bonus in June and December.

4. Guarantee a courtesy pass in buses for nurses and post office employees to help them cover daily expenses.

HONDURAS

REGALADO HERNANDEZ SWORN IN AS ARMED FORCES CHIEF

PA140214 Panama City ACAN in Spanish 0142 GMT 14 Feb 86

[Excerpt] Tegucigalpa, 13 Feb (ACAN-EFE) -- Tonight the Hunduran Congress swore in Colonel Humberto Regalado Hernandez, handing over to him the post of chief of the Armed Forces. Regalado Hernandez was elected last night to replace the acting chief, Colonel Efrain Lisandro Gonzalez, who is chief of the Joint General Staff and who, by law, occupied for 15 days the vacancy left by General Walter Lopez Reyes, who resigned the post.

Immediately after the swearing in ceremony, the congress recessed until tomorrow, when it will discuss a number of matters, including, possibly, the request for promotion to brigadier general of the new military chief.

Regalado Hernandez, 50, will head the Army until 27 January 1987, the post to which General Gustavo Alvarez Martinez had been elected but who was ousted by a " barracks coup" on 31 March 1984.

Interviewed on Regional Issues

PA131616 Tegucigalpa Voz de Honduras Network in Spanish 1145 GMT 13 Feb 86

[Telephone interview with Colonel Humberto Regalado Hernandez, commander in chief of the Honduran Armed Forces, by reporter Juan Bautista Vasquez in Tegucigalpa on 13 February -- recorded]

[Text] [Vasquez] Good morning, Colonel Regalado Hernandez. The National Congress has chosen you as commander in chief of the Honduran Armed Forces. Knowing your background in the military ranks, do you feel satisfied about having reached such a high post?

[Regalado] No doubt, a soldier's highest dream is to reach the highest post within his institution. As far as I am concerned, entrusting me with such a high post is a very high honor, an honor bestowed upon me by my comrades-in-arms as well as by the honorable deputies to the sovereign National Congress.

[Vasquez] Col Regalado, what can the Honduran people expect from you as chief of the Armed Forces?

[Regalado] The Constitution of the Republic defines the duties entrusted to the Armed Forces. Therefore, the Honduran people can rest totally assured that I will properly fulfill this constitutional mandate.

[Vasquez] Col Regalado, in recent days there has been a great deal of talk about the Armed Forces. There is talk that there are divisions. Now, what can you tell the Honduran people? Are there divisions within the Armed Forces?

[Regalado] That is a rumor circulated by some biased group. It has given rise to some speculation that is not accurate. I think there is no room for internal division within the Armed Forces as unity constitutes one of the main pillars of the Armed Forces.

[Vasquez] Col Regalado, in view of the difficult situation the Central American area is experiencing and the problems that have arisen between our country and Nicaragua, would you be prepared to hold talks with top Sandinist military chiefs?

[Regalado] Foreign policy is exclusively within the purview of the president. Any step I may take on this matter would be in compliance with other steps from the president.

[Vasquez] What are your views on our border problems with our neighboring country, El Salvador? Do you think a final solution will be found at the International Court of Justice at The Hague?

[Regalado] No one in Honduras in unconcerned about the border dispute with the Republic of El Salvador, and noone minimizes its importance. The important thing is that the Lima Peace Treaty left the door open to appeal to the highest international court to voluntarily submit ourselves, as sovereign states, to a binding legal ruling.

[Vasquez] Col Regalado, going back to the situation the Central American area is experiencing, this issue logically attracts the attention of the entire continent and the world. Do you think the Contadora Group and the newly formed support group will succeed in bringing peace to the area?

[Regalado] Well, the Honduran Government has always given its most (?unrestricted) support to the Contadora Group's bid to bring peace to the area. On this matter, I think Honduras' foreign policy will remain unchanged.

[Vasquez] Col Regalado, another major issue I would like to talk about during this interview concerns military relations between Honduras and the United States. Will the relationship become closer with you in command?

[Regalado] Yes, for some time now relations have been excellent. Therefore, they could not be any different in the military area.

[Vasquez] Well then, do you endorse continuation of the joint Honduran-U.S. military maneuvers?

[Regalado] (?Yes), as long as these serve to train and give experience to our Armed Forces. If they serve to provide training to the Armed Forces, I am totally in favor of the maneuvers.

[Vasquez] Col Regalado, although it has only been a short time since you were appointed commander in chief, do you think plans to further professionalize the Armed Forces and its different branches can be developed?

[Regalado] The Armed Forces are in a permanent process of professionalization. We can rate the results as excellent. As commander in chief, I will continue to promote current plans, as these benefit the Armed Forces.

[Vasquez] It has been reported that in the next few days there will be internal rotations or changes in diverse units of the Armed Forces and in diverse branches, too. Is that true, and if so, what would be these changes be, Col Regalado?

[Regalado] Rotation in command within the military structure is part of our fundamental law. My appointment as commander in chief of the Armed Forces may generate changes. At a future date, should these changes be needed, I will study this, and will provide the information at the opportune time.

[Vasquez] Will the Jose Azcona government have your personal support as well as your support as commander in chief, Col Regalado?

[Regalado] There is no need for me to reiterate the Armed Forces' backing. We are subordinate to it, and we comply with the hierarchical order.

[Vasquez] Here at Voz de Honduras we would like to discuss a very important issue with you. Does General Walter Lopez Reyes, former commander in chief of the Armed Forces, face any obstacle to returning to the country?

[Regalado] Juan Bautista, there are no legal impediments to Gen Lopez' return to the country.

[Vasquez] Col Regalado, what (?future) does Gen Lopez have within the Armed Forces?

[Regalado] Gen Lopez resigned from the post of commander in chief. He is still an officer on active duty. Obviously, he is committed to (?serve) and subject to any other assignment given to him.

[Vasquez] The Armed Forces have guaranteed the Honduran democratic process. The Honduran people respect and admire the Armed Forces for providing guarantees to the democratic process. In 1985 there were many examples of this, culminating with the guarantees provided during the 24 January elections. Col Regalado, will the Armed Forces remain on this course?

[Regalado] Recently, the Honduran people have demonstrated their great commitment to democracy. We owe ourselves to the people. Within the institution, the strong commitment to continue helping cement democracy in Honduras prevails.

[Vasquez] A few days ago, the peasant sector issued an important communique asking the Armed Forces for their cooperation so the government of the Republic would expedite the agrarian reform process. What are your views on this matter?

[Regalado] It is up to the government to define the strategies needed to expedite the agrarian reform process. As members of the Armed Forces, we must provide the government with the support asked of us.

[Vasquez] Peasant organizations have stated that they are prepared to cooperate with the Armed Forces regarding obligatory military service. However, they are demanding an end to forced recruitment. What would you have to say to that statement?

[Regalado] I congratulate the peasant organizations for their desire to cooperate with the Armed Forces. I would like to take advantage of this opportunity to say that the military service is a law currently in force in the Republic and all Hondurans must comply with it.

[Vasquez] Regarding politics, we know that the Army -- rather, the Armed Forces -- must be outside politics. However, this is a very important topic. Politicians, particularly the followers of Rafael Leonardo Callejas and the Azcona ALIPO [People's Liberal Alliance] coalition, have reached what they call a national unity agreement for a government of integration. How do the Armed Forces view that agreement? Do they think this agreement can last?

[Regalado] Well, Juan Bautista, I would rather not comment on this matter.

[Vasquez] Regarding other matters, Col Regalado, now discussing Central America, some time ago there was something known as the Central American Defense Council [Condeca] operating in the region. It was made up of top military representatives from the armed institutions of the five area countries. Do you think Condeca can be reactivated?

[Regalado] That institution is now inactive. I believe a meeting would be held first among the Central American countries to analyze and determine how it could be reactivated.

[Vasquez] Col Regalado, the Sandinist government has conducted a campaign against Honduras. In fact, early this week it introduced a counterrevolutionary defector. Nicaragua is accusing Honduras of lending its territory to counterrevolutionaries to prepare for their combat actions, with the support of the Honduran Armed Forces. What can you tell the Honduran people on this matter?

[Regalado] Juan Bautista, keep in mind that in the past the Somozist regime also accused Honduras of allowing its territory to be used by others.

[Vasquez] There is a great deal of talk in Nicaragua about a U.S. invasion, (?apparently) to oust the Sandinist government. Do you think this would be a solution to the problem, or, to the contrary, do you think that there could be a political solution?

[Regalado] Whether the United States invades or does not invade Nicaragua is within the purview of a sovereign country. However, I believe talks are a civilized way for nations to reach a political solution.

[Vasquez] Regarding the U.S. military aid to Honduras, it is said that Honduras is a good ally of the United States in the Central American region, and yet the United States does not reciprocate that stance, or, rather, that Honduras does not get the aid it should.

[Regalado] Currently, the military aid treaties [with the United States] are under revision in order for us to obtain what we need to ensure our own defense.

[Vasquez] Col Regalado, this is a very important topic. It is about missing people. Relatives of people who have disappeared in our country have talked a great deal about that. Moreover, there are campaigns underway to make the Armed Forces [words indistinct] a report on this topic. As commander in chief of that institution, chosen by the National Congress, what can you tell us?

[Regalado] The Armed Forces have repeatedly stated the need to present proof regarding missing people. To my knowledge no proof has been presented yet.

[Vasquez] Col Regalado, what about another campaign that started in late January and has continued in early February asking that the government decree a general amnesty?

[Regalado] It is up to the proper authorities to determine if the amnesty requested is in order. It is not within our purview to give advice on matters belonging to one of the branches of government.

[Vasquez] The Voz de Honduras news department thanks you for your kindness in giving us this exclusive statement, as you are about to be sworn in by the National Congress and will assume your command during a special ceremony to be held in the next few days. Do you have any special message for the Honduran people through Voz de Honduras?

[Regalado] To the Honduran people, with the deep respect I owe them: Please be assured that I will wholeheartedly fulfill the duties that have been given me through your representatives. I will strive my best to serve my country. I ask God to give me wisdom and strength in this new phase of my life as a soldier so I may fulfill the delicate mission I must fulfill.

NICARAGUA

REESTABLISHMENT OF TIES WITH COSTA RICA REPORTED

Ortega, Monge Exchange Notes

PA140435 Managua Domestic Service in Spanish 0305 GMT 14 Feb 86

[Text] The Nicaraguan and Costa Rican Governments have decided to reestablish diplomatic relations following talks by President Daniel Ortega Saavedra and Luis Alberto Monge, who voiced their willingness to seek efforts for peace in the region. This was stated in Communique No 9 issued tonight by the presidency of the Republic.

The following is the letter sent by President Ortega to President Monge:

The Nicaraguan Government, [word indistinct] on the report of the OAS commission dated 28 June 1985, deplores that the actions it was forced to take to defend its territory and the national sovereignty of Nicaragua from the actions of mercenary forces coming from other countries resulted in the death of two Costa Rican civil guards, and that this action to defend the country, which is constantly being subjected to a permanent aggression, has provoked the unpremeditated overflight of Costa Rican airspace by Nicaraguan aircraft.

Nicaragua reiterates that it harbors no desires to attack Costa Rica, and that it only wishes to base its relations with that brotherly country on respectful, peaceful, and constructive coexistence for the benefit of peace between our two peoples and governments.

As an expression of this purpose and in order to eliminate all its difficulties, the Nicaraguan Government deplores before the Costa Rican people and government the above-mentioned events and recognizes the efforts Costa Rica makes so that its territory will not be used by counterrevolutionaries to the detriment of peaceful relations between both governments and countries, and urges that these efforts continue.

The Nicaraguan Government voices its willingness as of this moment to begin a new period of constructive relations based on friendship, mutual respect, and cooperation between our peoples and government.

Letter of President Monge to President Ortega:

Costa Rica receives and accepts the explanations given by the Nicaraguan Government of the deaths of two Civil Guards at Las Crucitas and concerning the violation of National airspace. The Nicaraguan Government's explanations are effective steps taken toward a permanent, respectful, and peaceful coexistence between both nations, a coexistence that the Costa Rican Government advocates and has permanently worked toward.

The current statements by your government lead us to harbor the hopes that peace will be effective in Central America because it constitutes, in addition to being the goal of the governments, an urgent need of the peoples.

Costa Rica desires that this coincidence with the desire of our peoples will be a permanent goal in the behavior of those of us who have assumed the responsibility of leading the people.

The problems between our countries stemming from the unavoidable fact that we share a border call for us to immediately take joint steps for a permanent and constructive task for the benefit of peace and the respectful relations between our peoples and governments, even though ideological, political, and social issues separate us. Costa Rica is an exemplary representative of democracy, and will continue to be so, and within this spirit it will contribute permanently to achieving peace and peaceful coexistence among the peoples and governments of the world.

I think we should proceed to normalize our diplomatic relations and continue joint efforts so there will be peace and tranquillity in our common border area. In order to achieve this, we propose that we jointly request to the eight member-countries of the Contadora Group and the Support Group the establishment of a permanent inspection and surveillance force in the common border area.

Managua, 13 February 1986. 25 years later, all weapons against aggression. Information and Press Directorates of the presidency of the Republic

Costa Rican Politicians Comment

PA131620 Managua Radio Sandino in Spanish 1200 GMT 12 Feb 86

[Text] Rodrigo Saenz of the Costa Rican Broad Democratic Front has stated that Costa Rican President Luis Alberto Monge's decision to break diplomatic relations with Nicaragua and then re-establish them falls within the framework of the Reagan administration's pressures on Costa Rica. Here are his remarks:

[Begin Saenz recording] Monge's decision to break relations with Nicaragua falls within the framework of the pressures the United States has and is exerting on the Costa Rican Government to further worsen the situation in Central America. Now [words indistinct] reestablishing the relations. I feel it is a positive step [words indistinct] the path of consolidating peace and the traditional brotherhood between the peoples of Costa Rica and Nicaragua, he is on the right track.

Let us hope that this is an act of goodwill and that he will no longer act as in the past, when on the one hand he declared neutrality, but on the other hand remained tolerant of and permitted the counterrevolutionaries to attack the Nicaraguan people [words indistinct]. We hope this decision [words indistinct] the Socialist International told him that it was a grave mistake to break diplomatic relations and withdraw the Costa Rican ambassador to Managua [words indistinct] remove the contras once and for all from Costa Rican territory and prevent the use of our territory as a base of aggression against the Nicaraguan people. [end recording]

On his part, Costa Rican Deputy Eduardo Mora Valverde, who is attending the conference of Latin American and Caribbean political parties, said there can be no illusions about the new government of Oscar Arias because the United States will always exert pressure on the Costa Rican Government.

[Begin Mora recording] This decision is naturally very positive and beneficial. We are very happy about it. Nevertheless, I want to state that we should not have any illusions about future relations between Costa Rica and Nicaragua because very strong economic pressures are being applied on Costa Rica by the United States and [words indistinct]. Everything will depend on how we Costa Ricans who support the Nicaraguan revolution [words indistinct] and on the development of the situation in the Caribbean and in the world [words indistinct] the foreign policy of Oscar Arias. I think the decision is very positive and we are very happy about it. [end recording]

BORGE DISCUSSES MEETING WITH JIMMY CARTER

PA130401 Managua EL NUEVO DIARIO in Spanish 8 Feb 86 pp 1, 5

[Excerpts] Former U.S. President Jimmy Carter impressed Commander Tomas Borge as a politician "who acts, thinks, and speaks like a civilized man."

Immediately after saying goodbye to Carter in the hall of the Intercontinental Hotel, Interior Minister Borge said: "He gave us useful and interesting ideas that we will take into consideration." The two had previously talked at length in the ministerial office of the "Silvio Mayorga" building. They later walked along some corridors of the "Roberto Huembes" market in the capital.

Reagan's predecessor acknowledged the freedom he has enjoyed here to visit whomever he wanted, and to listen to various viewpoints, although he said he hopes to continue gathering information from common people affected by the policy of the Reagan government.

He asserted that he is against the Somozist guards. He said, however, that there must be flexibility with those who, without being Somozists, have presented demands "that are not excessive." He proposed a dialogue with non-Somozist contra leaders and recommends that military actions be halted during this dialogue.

Carter said no pretext should be given to the Reagan administration for a larger scale aggression. It would be a big mistake "because the "Sandinists would resist and could endure a lengthy war, but this would cost much bloodshed and many lives."

Carter told Borge he aims to prevent the continuation of the aid for the contras at the U.S. Congress. He added, however, that "there must be amnesty and reconciliation" in Nicaragua. This would be impossible if the two sides become "stubborn."

He also said: "I believe it is possible to have peace in the future and that I could be of help, despite my limited influence on the U.S. public."

Borge estimates that in this struggle with the counterrevolutionaries, Nicaragua has proportionately lost more men that the United States did in World War II. He said that in 6 years of revolution, more than 300 plots to kill members of the FSLN National Directorate have been disclosed. For this, he said, it would be foolish not to set up a state of emergency. "It would be the equivalent of not covering oneself when it is cold."

He also said the state of emergency does not entail the repression of public liberties. He told Carter: "You can feel safer here than in any of the so-called democratic countries. You can go to any city in the country at any time and no one will harm you."

The minister referred to the fact that LA PRENSA was not published the day before "in order to impress Mr Carter and to be able to say that there is no freedom of the press here." The paper was not published on its own volition, the leader said. He also asserted that the revolutionary government is in the best disposition for a dialogue "of understanding with the church hierarchy, even with Cardinal Obando y Bravo himself," whom he said has assumed a political stance and is an "influential bishop."

"I know you will meet with Obando y Bravo. Please tell him we are willing to hold a dialogue between the state and the hierarchy because we want peace. We are also interested in an understanding with the United States based on respect and not on force," he stressed.

Finally, Commander Borge said there are prison inmates here but not because they belong to the Conservative or Social Christian Parties or the union, but because they are linked to the counterrevolution. Similarly, there are Sandinist military men in prison for having violated the law.

REPORTAGE ON POLITICAL PARTIES CONFERENCE

Arce Speaks

PA131858 Managua Radio Sandino in Spanish 0108 GMT 13 Feb 86

[Speech by Commander of the Revolution Bayardo Arce Castano, deputy coordinator of the FSLN Executive Commission, at the closing session of the Latin American and Caribbean Political Parties Conference held at Managua's Cesar Augusto Silva Convention Center -- live]

[Excerpts] Brothers in the National Directorate, comrades presiding over this closing event, comrades attending the parties conference: For the Sandinist Front this conference has been a formidable, successful, and productive experience.

You have said that this conference has enabled you to become more familiar with the Sandinist people's revolution, our people's program, their problems, and the commitment made by the large majority of Nicaraguans to defend [the revolution]. You have said this meeting has made it possible for the National Directorate to become more familiar with your positions and even with your criticism; but above all, it has enabled you to express active and militant solidarity with Nicaragua and the other Central American peoples; also, that this conference has made it possible for ideas to emerge, defining ideas that will materialize the unity and solidarity of Latin America and the Caribbean with the Central American peoples' struggles.

You have said that we Latin Americans are quickly learning that sovereignty, self-determination, and independence are vital concepts and you have asserted that to defend them today in Central America is to defend Latin America's honorable survival. You have said that the Latin American peoples are in a position to accept the challenge of defeating the view and the policy that seeks to turn our nation into the backyard of the United States and that the pretension that our countries' national interests must be subordinated to U.S. interests is now obsolete.

Here in Latin America, Reagan is already confronting, and will continue to confront in the future, the results of his policy of force in the economic, political, and military areas. You have asserted that in contrast, this small country, Nicaragua, has the support of the peoples of the world, especially the support of all Latin Americans.

Our people must know the conviction with which you have expressed your admiration for the revolution's efforts to maintain its democratization process even under war conditions. Our people must know that you have said that the Caraballeda declaration shows that Latin America can take political-diplomatic initiatives vis-a-vis the United States and that, as long as it firmly upholds the Latin Americanist principles, it can successfully promote a negotiated solution in the face of the Reagan administration's policy of force.

You have expressed the certainty that the Salvadoran revolutionary democrats will not slacken their efforts to develop a broad convergence movement in which all sectors will participate so it becomes possible to find a political solution in El Salvador to overcome the state of war, achieve national independence, and reflect the most profound aspirations of that fraternal people; in short, so that Salvadorans themselves can solve their own problems without having Reagan tell one of the parties what to do.

Our people must know you have expressed your conviction that to a large extent, Latin America's fate is at stake in the struggle currently waged by the Nicaraguan people.

You have said the conference has contributed to promoting Latin American unity to confront the aggressive stance of imperialism. You have said it is highly significant that more than 100 political parties have met here in Managua to speak collectively in favor of peace.

It is very important for our people to know that their firm opposition to mercenary aggression constitutes lessons in dignity that nourish the consciences of the Latin American peoples, as many of you have asserted. You have said that never before has a nation as attacked as Nicaragua been so respectful of international law, even turning to the international organizations recognized by the United States, and demonstrating that the United States itself is the one disavowing and violating international law and order. You have asserted that it is not possible to ask Nicaragua to sign a document until weapons are banned for those who come to murder Nicaraguans. You have said that there are those who would like to turn Contadora into Contradora [play on placename], but that this cannot be tolerated by Latin America. You have expressed your willingness to expand and multiply the solidarity committees with Nicaragua, to expand the popular movement that will bolster solidarity with our people and Contadora's negotiating effort from the very bases and through just, firm, and honorable positions. You have also said that that movement must be expanded in order to help avoid a war in Central America that would involve all Latin American and Caribbean peoples.

You have expressed an interest in our search for mechanisms to promote a discussion and a common effort among the continental political parties.

You have also said that Latin America's foreign debt is unpayable, not only for economic reasons, but for political and moral reasons as well, and that to defend, therefore, the peoples' causes so they can be masters of their own destinies is to defend our nations' chances to advance peacefully.

Our people will learn that many of you, on behalf of your peoples, have expressed your determination to lead and join the hundreds of thousands of Latin Americans who would fight beside us if the United States invades Nicaragua, with the certainty, moreover, that the aggressors would be defeated in many Ayacuchos [reference to decisive 19th century Latin American independence battle].

You have recalled that if the United States invades Nicaragua, El Salvador, or Central America, Che's motto of creating many Vietnams would become a historical need, and also that it is essential to organize a broad Bolivarian movement for sovereignty and against intervention. You have said that the only way to confront imperialism and authoritarianism is through unity that surpasses political differences, and that in Latin America this unity is not only a banner, but has also become a specific objective.

You have said that Nicaragua today is the concern as well as the maximum hope of the Latin American peoples and that you resolutely endorse Nicaragua's efforts in search of peace with independence and dignity. Dear comrades, rest assured that all this strengthens and lifts the morale of the Nicaraguan people.

Nothing is more current for the Central American peoples, for the peoples of Latin America and the Caribbean than engaging in a tenacious, firm, and determined struggle against the policy marked by force and intervention that characterizes the strategic doctrine of the ruling elite in the United States. At a recent meeting, a seminar for a select group, sponsored by the Pentagon and held in Washington with the participation of high-ranking officers of the General Staff, the Armed Forces, the Southern Command, the CIA, and the new-right ideologues, Defense Secretary Caspar Weinberger said:

We must decide if our interests justify an intervention. We must decide if the leadership that exists in a country is better or worse for its people and for our interests. We must decide in what manner intervention will take place, whether or not we will intervene, with what means, and through what agency this is to be done. If our involvement is justified, we must be prepared to act alone.

This phrase, this thought by Weinberger, is simply the brutal strategic military doctrine that the U.S. ruling elite implements and seeks to consolidate. It fundamentally reflects the baneful interests of the U.S. industrial-military complex. This doctrine, which is merely an aggressive revamping and improvement of the Truman Doctrine, of Document No 68 of the National Security Council, which refers to the national security doctrine proclaimed in 1950,is the one we are seeing imprudently implemented not only in Central America and the underdeveloped world, but also in the developed countries allied with the United States.

It is through this reactionary, militaristic, and hegemonic doctrine that they seek to impose "star wars" on mankind. It is under this brutal banner of modern-day corsairs that they intervened in Grenada in a cowardly fashion; that the United States is becoming increasingly involved in El Salvador; and that the United States has militarized Central America, establishing its permanent military presence in the region while training 75,000 U.S. Marines, from 1981 to this day, with its military maneuvers in Honduras. It is through this brutal doctrine that they organized a mercenary army to wipe out the young Nicaraguan revolution, as they regard it as incompatible with their national interests. It is through this doctrine that they uphold bloody and authoritarian regimes and conspire, pressure, and subdue the fragile democracies in our hemisphere.

Since 1981, in an increasingly intense and brazen manner, Sandinist Nicaragua has suffered in its own flesh the bloody consequences of this policy. This is why our people's resistance, the Nicaraguan people's dignity and patriotism, and our conviction stem from the fact that we are fighting not only for our dignity but also for that of the other oppressed people of our America. This determined and unswerving struggle by the Nicaraguan people has exacerbated the current U.S. leaders' anger and reactionary ire to the limit.

This is the policy we Nicaraguans have confronted. It is through this policy that the South African regime, Stroessner, and Pinochet are supported. It is against this policy that the Cuban people and the Nicaraguan people rebelled, and against which the Salvadoran people are rebelling today. This policy has brought not only weapons and bloodshed to Central America, but has also prolonged and expanded the regional economic and social crisis with the subsequent impoverishment of Central American workers. It is this policy, combined with unfair trade,which has led to the indebtedness of Latin America and Central America. The $5.609 billion that represented the foreign debt contracted by the Central American countries in 1978 was transformed last year into $15.6 billion -- a 178 percent increase.

Between 1980 and 1985, the GNP decreased in Guatemala by 6.2 percent, in El Salvador by 11.8 percent; in Honduras by 3 percent; and in Nicaragua by 4.4 percent. During this period of Reagan's policy in Central America, the per capita GNP was reduced by 16 percent throughout Central America. In most of our countries, during the same period, inflation rose by 284 percent. The weight of the foreign debt interest on exports increased by more than 143 percent, while the Central American economies saw their exports decline 17 percent between 1980-85.

In short, militarism, interventionism, recession, inflation, impoverishment,and restrictions on sovereignty have been the painful consequences of Reagan's imperialism in Central America.

Dear comrades: In the face of this policy, the Nicaraguan revolution perseveres invariably with its position, which calls for continued promotion of our political process within a framework of mixed economy, pluralism, and nonalignment. Nothing has made us change our course and, despite aggression and war, we will persevere in our program on behalf of the interests of the improverished majorities of our country and in defense of our sovereignty.

The FSLN's historical program stated: The Sandinist people's revolution will eliminate the foreign policy marked by submissiveness to the Yankee empire, and will establish a patriotic foreign policy in behalf of national independence and true universal peace. The Sandinist revolution will put an end to the use of Nicaragua as a base for Yankee aggression against other peoples and will practice solidarity with the fighting fraternal peoples. It is undeniable that it is our people's achievement of their political independence, their desire for freedom and national independence, and their Sandinist revolution, which causes the ire and reactionary anger of the current U.S. Administration.

The Sandinist people's revolution, with the FSLN at its vanguard, will continue to defend its program and will persevere in promoting cooperation and integration among our fraternal Central American countries, not only because this is in agreement with the principles of our revolution but because we are sure that there is a political and economic alternative for Central America based on our common history, our common productive activities involving sugar, coffee, cotton, bananas, meat, and fish and, above all, because we have the deepest conviction that peace, cooperation, and coexistence are in line with the deepest aspirations of the Central American, Latin American, and Caribbean peoples.

In our country we will continue to promote the people's force -- reflected in our daily productive work and up in the mountains, where the rifles rest on our people's shoulders; it is reflected without class distinction in the volunteer picking of coffee and cotton. We will persevere in our continued promotion of the revolution's political experience which has promoted and will continue to promote the participation of all Nicaraguans in the struggle for our sovereignty, national independence, and self-determination, in an effort to make nationalists, patriots, Christians, and Marxists all channel the force of their respective values in defense of the homeland and the revolution until peace is achieved and aggression and intervention in our country are defeated.

Today, when Reagan -- in a slap responding to the Caraballeda peace initiative -- announced in THE WASHINGTON POST that he will do everything in his power to obtain $100 million for the mercenary war against Nicaragua, we and our people will redouble our efforts to crush the aggressor. Lifted by your solidarity -- as you have committed yourselves to the noble cause of peace and nonintervention, and in accordance with your specific conditions and possibilities, we will join efforts to check aggression -- we will ready our gear. Let President Ronald Reagan and those supporting him in Congress know, and let the U.S. people, the international community, and all the world's peoples witness the fact that here in Nicaragua there are people waiting with olive branches in their hands, who can also hold a rifle. Twenty-five years later, all weapons against aggression. Free fatherland or death! [applause]

Cuba's Hart Address

PA131303 Managua Radio Sandino in Spanish 0000 GMT 13 Feb 86

[Speech by Armando Hart, member of the Communist Party of Cuba Politburo and culture minister, at the closing session of the Latin American and Caribbean Political Parties Conference held at Managua's Cesar Augusto Silva Convention Center -- live]

[Text] Companero Daniel Ortega, president of the Republic of Nicaragua and commander of the revolution; companeros of the FSLN National Directorate; companeros of the presidency [of the meeting], companero delegates and guests: I have brought the fraternal message of Cuba to this beautiful meeting. The generous Sandinist invitation to this meeting of honor is for the purpose of fostering the struggle against intervention in Central America and for peace. The event has also meant sometime decisive. In our opinion, we have taken a step further -- in the many that are taken nowadays -- for the unity of our America. For whomever contemplates Marti's thought, this carries great emotion. The topic of unity and nonintervention is as old as our lack of unity. Regarding our lack of unity, Bolivar, our father and founder, said: We have ploughed the seas. Nowadays, the threat of intervention in Central America and the problems related to the unpayable foreign debt that were analyzed some months ago in Havana intertwine and lead us to seek formulas to attain unity. If Yankee imperialism has been and is the main fosterer of our lack of unity and if the aggravation of interventionist tensions in Central America is what can unify us, let's speak of these crucial problems.

More than delivering a speech, I would like to discuss the consequences of a new intervention in Central America. In a memorable letter dated 4 August 1928, Augusto Cesar Sandino asked this question: Do the Latin American governments perhaps think that the Yankees only want and will be content with the conquest of Nicaragua? History proved him right. Today, nearly 60 years later, we can say: No one in either of the Americas will escape the true dangers of a direct U.S. intervention in Central America. By this pharisaism of U.S. propaganda, such an intervention, however, will represent the broadest catastrophe that democracy would have suffered on the continent.

Let's speak here on behalf of democracy and one and for all let's tell the Yankees that the violators of democracy are those who supported the Somozist regime for half a century. When, despite the United States, the revolutionary actions of the masses deposed the last of the Somozists, a true and genuine democracy began in the homeland of the general of free men. This democracy has even been strictly fulfilling the requirements of the so-called pluralist democracies. The largest cynicism has been that the United States, which engendered and supported Somozism, speaks of establishing democracy in Nicaragua. Let those in the U.S. Administration know that the time of Somoza has passed forever. Let them very clearly understand that we are in the age of Sandino.[applause] All the truth must be disclosed for the people in the United States, with whom we want to hold a relationship of equality and friendship.

The sad truth is that in the United States, illiteracy and ignorance are of such magnitude that a large portion of the U.S. population does not even know where Nicaragua is located. Mr Reagan should try first to settle the problems of poverty, discrimination, and ignorance prevailing in his own country before trying to give democracy and freedom lessons to the world. If the imperialists, so concerned over labels and adjectives, want to know what type of democracy there is in Nicaragua, we can tell them in a simple way that it is a Sandinist democracy.

The North American action against the Sandinist democracy will not be an aggression only against this dear sister nation, but also, as predicted by Sandino in his time, a menace to all of our America.

There is something else. Perhaps someday history will say that the direct U.S. intervention in Central America, if it should tragically take place, prompted the social revolution on the continent. Let Mr Reagan remember the Vietnam experience. Step by step, they walked into a dead end street that ended in shameful defeat. The path they are now walking brings back to mind the early years of the seventies, when they began their incursion into Southeast Asia only to flee headlong in panic.

Some may ask if we want the revolution, then why not let the imperialists make that mistake? The answer is simple: The revolutionaries create changes, but always through methods that will produce the least possible sorrow to the peoples. The revolutionaries do not patronize violence. The revolutionaries and the peoples are driven to violence through the violent action of the reactionaries. Wherever the reactionaries act with greater impetuosity and establish a tyranny, the doors of rebellion open with overwhelming force. Such was the case with Batista in Cuba, with Somoza in Nicaragua, and with Duvalier in Haiti. We already see it coming in Chile today. The same could happen if Reagan's stupid imperialist policy stains this continent with blood and unleashes a process of social convulsion of unpredictable consequences.

There must be sensible leaders in North America, capable of realizing the menace that such a policy entails to the North American system itself. We the revolutionaries and politicians of Latin America and the Caribbean must warn them clearly, and the only way to do so -- as shown by experience -- is to remain firm and united, just as Nicaragua has done.

The people of Latin America and the Caribbean are and shall be, under whatever circumstances, on the side of the heroic people of Sandino and Fonseca Amador. This has been shown at the conference. With its victorious example of 19 July, Nicaragua reaffirmed that geographic misfortune is a myth no longer valid among us. Today the Salvadoran fighters represent another exemplary symbol of the rebel spirit of the Latin American peoples who fight with courage in Haiti and Chile, and who rise against the most adverse living conditions. The treacherous support offered by the United States to the UK in its colonial attack against the Argentine sovereignty in the Malvinas Islands again revealed the true nature of the so-called pan-Americanism. It reaffirmed to our people that only Latin American solidarity, based in the defense of our common interests, can challenge subjection to the colossus of the north. Only such Latin Americanism, deriving from the doctrine of Bolivar, Marti, and Sandino, and the forefathers of our independence, can preserve our sovereignty against the imperialist voracity.

It is precisely that Latin Americanism that inspires this variety of political forces gathered in this unifying scenario of Nicaragua. Democrats of many origins, communists, socialists, social democrats, Christian democrats, liberals, conservatives, radicals, Christians, military patriots, all of different political and philosophical orientations, are gathered at this conference to renovate and strengthen the deep roots of that clamor for unity of our peoples.

Let us join forces to try to avert the tragedy, and we shall do so with our determination, intelligence, and decision. Let us join forces beyond our political philosophical, religious, or any other differences. We must forever banish all sectarianism and try to bring into our cause all the patriots determined to fight. In our America, for example, the liberating force of the Christian faith is becoming evident, when it stems from the poor. I can affirm before you that I have faith in the liberating force of the Christians who understand with force and love the principle invoked by Fidel in the first year of the Cuban revolution when he said: He who betrays the poor, betrays Christ.

The great fatherland is threatened here on Central American soil. Reagan is fomenting the aggression against the Sandinist revolution and, at the same time, is giving abundant military aid to Duarte, supports Pinochet, and dispatches warships to Haitian waters to intimidate that people who rebelled against the bloody Duvalier dictatorship.

To justify his reactionary policy against Nicaragua, Reagan has had no limitations in the use of pressures and trickery, and in the fabrication of pretexts.

Reagan is delivering to the bands the most sophisticated and deadly weapons such as antiair missiles [cohetes antiaire] and Piranha speedboats. He has mined ports and carried out all types of sabotage. However, the dirty war he has been unleashed against Nicaragua is being defeated by the heroic resistance of the Sandinist fighters. We must redouble our solidarity with Nicaragua, and we must all be on the alert in the face of the actions that the United States is planning to take.

This qualitative escalation and the threat that the bands directed by the CIA might provoke a conflict somewhere along the Nicaraguan borders might be the pretext necessary for unleashing a confrontation of greater and unforeseen proportions, and even a direct intervention of the United States against Nicaragua.

That extreme is something that may or may not occur, according to a series of circumstances. Undoubtedly, Reagan's current policy seeks to defeat the Sandinist revolution without having to land the Marines. At the same time, he (?strives) to destroy this revolution. The United States is stepping up this escalation and this might lead to [words indistinct] in spite of the fact that such an action might be rejected even by the U.S. people, who do not and should not forget the Vietnam lesson.

We feel that it is the unavoidable duty of all the patriotic and anti-interventionist forces of this hemisphere -- and we have observed this is the case with the various speakers -- to do everything possible to prevent the aggressive escalation of the United States, because this would lead to a generalized war in Central America that would have a high cost for the peoples of the isthmus and would shake the land throughout the hemisphere.

If such a preposterous invasion were to take place, let the imperialists know that all of the Americas would make them pay an unbearable price for their crime. The peoples would never forgive such criminal madness.

Reagan is also trying to crush the Salvadoran people's desires for liberation, and his plans are being defeated. As Comrade Fidel Castro recently said, the Salvadorans have given the imperialists an example of the heroism, intelligence, and struggle capabilities of the Latin American peoples, which the Yankees always considered -- Fidel said -- as a strange and despicable mixture of proud Spaniards, primitive Indians, and ignorant blacks. Now, El Salvador, one of the smallest countries in the hemisphere, is showing the empire what the limits are of its power and strength, Fidel added.

Another outstanding example of the people's revolutionary struggles is that of Guatemala. For more than 20 years, this brother people and its devoted revolutionary movement have been heroically confronting ferocious dictatorships. A civilian government recently rose to power. The revolutionary force members of the URNG have presented a proposal of undeniable value to this new government.

Comrade Fidel voiced the stand of our party and government concerning the Contadora Group peace efforts. Cuba, Fidel said, has also participated in the search for a negotiated solution to the Central American conflict that should entail a commitment from the United States to give up its aggressive actions against the Nicaraguan people. Our first secretary said that to demand Nicaragua to make commitments without meeting this requirement first would be the same as requesting the negotiated [word indistinct] of the Sandinist revolution and renouncing the sovereignty and independence of the country.

Fidel also added that one must not forget the need for finding negotiated political solutions to the wars in El Salvador and Guatemala.

Comrades: Once again we reaffirm our firm support for the stands voiced by President Daniel Ortega to the presidents of the Contadora member-countries and the Support Group. The main obstacle to peace in Central America is the policy of U.S. imperialism, and it will not be possible to break the impasse to gain an effective peace as long as aggression exists. Let us demand -- and so it has been done at this conference -- an end to Yankee aggression against Nicaragua and to U.S. interference in Central America as a basic requirement for solving the conflict in the region.

In the fact of the threatening presence of Yankee troops, planes and ships in Central America, and in the face of the terrorism of the mercendary bands that are operating out of Honduran and Costa Rican territories, it is necessary, as has been stated here, for the various social and political sectors in our nations to make an increasingly forceful and broad denunciation, and produce as many initiatives as we are capable of creating, in accordance with each country's specific conditions and in line with future developments.

The imperialist intervention in Central America, the issue of the Malvinas, and the situation that led to the criminal U.S. invasion in Grenada are factors that in recent years have stimulated solidarity and unity among our Latin American and Caribbean peoples. To these we would have to add the sentiments and struggles of the hemisphere against the dictatorships that were eliminated by several democratic processes, whose governments are joining this growing Latin Americanism, in various ways and as a result of their peoples' demands.

There is no doubt that the deep economic crisis and the enormous and unpayable foreign debt also represent determining and decisive factors in the rapid convergence that is taking place among our peoples today. We have the Latin American Parliament today. Why should we not also aspire, in meetings similar to this one, for the parties and democratic organizations of America to pave the way to gain better knowledge of each other?

Our countries are different from each other. There are regional differences. There are cultural expressions of a different nature. Although Latin-originated languages are broadly represented, we cannot say that a variety of languages does not exist in our America. We defend unity based on the principle of diversity. Only our respect for the diversity of political organizations, cultural expressions, and nations can lead us to unity and diversity in America. An ethical principle is to be established, that of our latin and Caribbean unity, that of respect for unity and diversity. We are diverse, yet we are a group of countries that form a great homeland. This community of nations that extends from the Bravo River to Patagonia possesses essential elements of common history and culture and has a stronger and stronger political, cultural, and moral presence in the modern world. Our America cannot and will not relinquish its right to bear decisive weight on tomorrow's world and will only be able to do so when it marches in unity along the path of its second and final independence.

We are still in debt to the founders. They showed us the path of a united America. Let's make gradual efforts for the common platform of this united America. Let's outline this platform. First of all, however, we feel that we all have to bear in mind an essential element of this unit. When one of us is attacked, as happens today in Central America, all of us must identify with the resisting people.

Our enemies can unite to attack us. The U.S. support for the United Kingdom in the Malvinas issue is a hard, yet fruitful lesson. The decisions the owners of the great financial centers make at the international banks and the meetings of finance minister regarding the foreign debt also show that they can unite. If they can unite in politics, economics, and war against us, what is the moral reason our peoples cannot also unite?

According to what I have heard here, I know well that this is a generalized feeling. We are truly indebted to something -- our necessary unity. We owe this to Simon Bolivar.

We think that our America's first moral law should be the intransigent defense of our people's rights to their full sovereignty. This is why we defend Nicaragua and Central America today just as we defended Torrijos and the Panama Canal yesterday. This principle has led Cuba to support Peru when, after it adopted decisions regarding the foreign debt, reprisals were taken against that fraternal people. We have militant solidarity with the Haitain people, we have combatant solidarity with the Chilean people, close-knit and profound solidarity that represents a commitment of honor for America is what we have with the Puerto Rican people.

Here in Nicarauga, in Central America, which is a key element of continental politics, new ethics and morality are being established: One that calls for defending the sovereign rights of Nicaragua, El Salvador, and all the peoples of America to defend the path to their future. One must speak of ethics, one must speak of morality, one must use these principles as the basic orientation of any policy. We are politicians, but a policy devoid of moral foundation is a crime.

Our mere presence at this event proves that we have determination, that we have the willingness to defend the morality of America's unity vis-a-vis what Jose Marti called the unsettled and brutal North that despises us. The dreams of Sandino, Bolivar, and Marti induce us to defend Nicaragua and in the event that the United States should step up its support for the counterrevolution, we will redouble our militant solidarity.

As for Cuba, Fidel said it is the recently concluded third congress of our party. Fidel said: Who does Reagan think he qill scare with those threats, and who does he think he will discourage? He will not discourage the Nicaraguans. I am convinced that the [counterrevolutionary] bands will never be able to defeat the Nicaraguan people and the Sandinists. Fidel added: I am convinced of much more: That the Yankee Army will never be able to defeat the Nicaraguan people and will never be able to defeat the Sandinists. [applause]

Fidel continued, saying: They, the Sandinists, are also prepared to wage the war of all the people, and the fighting spirit and courage of the Nicaraguan brothers is proverbial.

Further on, Fidel pointed out: We can say that if they, referring to imperialism, increase aid to the Somozist bands, we shall do everything possible to increase our aid to the Nicaraguan people. [applause]

Comrades, friends, brothers, I am going to conclude. This meeting, it seems to us, is the true picture of the way our people learn toward unity today on our continent.

I think we have taken an important step forward. Let us continue. We must maintain and expand this unity. Let us take care of this unity as we do the pupil of our eyes.

This is an important service to the cause of Nicaragua, of nonintervention, and peace. It is, as well, brothers and companeros, the mandate of Bolivar, San Martin, O'Higgins, Sucre, Tiradentes, Tousaint Louverture, Artigas, Juarez, Marti, Santino, Albizu Campos, Fonseca Amador, Bishop, Torrijos, and Che [Guevara].

We are, in fact, still in debt to them, and I am sure we will pay this debt. Thus, we will prove that Bolivar had a positive effect on history.

Peruvian Representative Comments

PA131933 Managua Radio Sandino in Spanish 1930 GMT 12 Feb 86

[Excerpt] The Peruvian Government will not change its position on Nicaragua and Contadora despite the strong U.S. pressures on the Peruvian Government, which was given a peremptory deadline to pay part of its foreign debt, Luis Negreiro, secretary general of the ruling APRA [American Revolutionary Popular Alliance] of Peru, stated today. Negreiro, who is a personal representative of Peruvian President Alan Garcia, said efforts must be redoubled to reaffirm the anti-imperialist and united position of Latin America. He said the Garcia government believes in the feasibility of the Contadora and Lima support groups. He also asked the Latin American peoples to support the Caraballeda declaration because it embodies the principles and objectives of self-determination and the people's right to seek their own destiny.

OPPOSITION LEADERS CALL FOR DIALOGUE DATE

PA132319 Panama City ACAN in Spanish 1938 GMT 13 Feb 86

[By Rolando Raul Rodriguez]

[Text] Panama, 13 Feb (ACAN-EFE) -- Nicaraguan politicians in exile today urged the Contadora Group to establish a "fixed, reasonable" date for the start of a national reconciliation dialogue in Nicaragua. The pronouncement is contained in a letter signed by opposition politicians in exile and released at a news conference called by the representative of the Nicaraguan Opposition Unity (UNO) in this capital.

The document asks the Contadora Group (Panama, Mexico, Venezuela, and Colombia), and the group supporting these peace efforts, made up of Argentina, Peru, Brazil, and Uruguay, to "demand that the Nicaraguan Government establish a fixed, reasonable date to start the national reconciliation dialogue."

To carry out the dialogue, the Nicaraguan opposition exiles are demanding the mediation of the Nicaraguan Episcopal Conference -- a demand that has already been made by the UNO, an alliance that includes the anti-Sandinist Nicaraguan Democratic Force (FDN). They also "respectfully" demand that "if the Marxist-Leninist regime of the FSLN turns down the dialogue, then the problem will be taken to the OAS, during the opening of the 17th consultation meeting of OAS foreign ministers."

However, the opposition in exile said it is "skeptical" as to the solutions the Contadora Group may offer. "Governments who are brought to power with bullets must be removed with bullets," they said.

The opposition group said it will entrust its representation to the UNO directorate leaders, Adolfo Calero Portocarrero, Arturo Cruz, and Alfonso Robelo.

The document, delivered to the peace group and dated in Costa Rica, stresses that as long as there is a civil war in Nicaragua, there will be no peace in Central America or Latin America, because, as it stated, the Sandinist government is "expansionist and terrorist."

The opposition politicians who signed the document are grouped in the Nicaraguan Opposition Coordinating Board, a small organization created in March 1985.

$250 MILLION TRADE DEFICIT REPORTED FOR 1985

PA130341 Managua EL NUEVO DIARIO in Spanish 13 Feb 86 p 5

[Excerpts] Roberto Pizarro, an official of MICE [Foreign Trade Ministry], explained on 8 February that Nicaraguan exports in 1985 amounted to only $293 million, while imports amounted to $538 million, which means there is a deficit of approximately $250 million. This confirms that the country is enduring a difficult economic situation worsened by the international economic crisis and the U.S. aggression, especially the trade embargo.

VICE PRESIDENT MEETS WITH ITALIAN COMMUNIST

FL140044 Havana Radio Rebelde Network in Spanish 0000 GMT 14 Feb 86

[Text] Carlos Rafael Rodriguez, member of the party Politburo has met with (Renato Sangieri), member of the Secretariat of the Italian Communist Party who represented this political organization in the recent Third PCC Congress.

In the fraternal meeting, characterized by the excellent relations between the two parties, matters of common interest related to the international situation were examined.

Carlos Rafael Rodriguez and (Renato Sangieri) also discussed matters related to the ties between the Italian Communist Party and the PCC.

LAOTIAN CENTRAL COMMITTEE MEMBER HOLDS TALKS

FL130056 Havana Radio Rebelde Network in Spanish 0000 GMT 13 Feb 86

[Text] (Khanbao Songsai), president of the Laotian-Cuban Friendship Association, met with Oscar Fernandez Mell, president of the Havana Province Assembly of the People's Government in Havana City. The Laotian leader, who is also a member of the Central Committee of the Laotian Peoples' Revolutionary Party and president of the People's Committee of Vientiane discussed his country's achievements and the Laotian peoples' efforts to conquer the difficulties met in constructing the new society. (Khanbao Songsai) was part of the delegation that attended the Third PCC Congress.

HAVANA RECORDS 81 PERCENT SUGAR PRODUCTION

FL131718 Havana Radio Reloj Network in Spanish 1502 GMT 13 Feb 86

[Excerpt] During the last working period, Havana Province sugar centers produced at 81 percent of their industrial capacities and maintained an accumulated average of 85 percent. The Havana Ministry of the Sugar Industry, Minaz, says the main cause for not fulfilling production quotas is the result of the scheduled weeding and maintanence that affected the Abraham Lincoln, Eduardo Garcia Labandero, Orlando Nodarse, Manuel Isla, Pablo Noriega, and Manuel Martinez Prieto centers.

REGIONAL PRIME MINISTERS TO MEET WITH REAGAN

FL132112 Bridgetown CANA in English 2045 GMT 13 Feb 86

[Text] St Georges, Feb 13, CANA -- Trinidad and Tobago Prime Minister George Chambers is the only Caribbean leader who has not indicated whether he would attend next Thursday's summit meeting with U.S. President Ronald Reagan, diplomatic sources said today. The sources told CANA that all the other leaders invited by Grenada's Prime Minister Herbert Blaize to the February 20 meeting have confirmed their acceptance.

The Caribbean prime ministers are expected to hold a preparatory meeting one day before the session with Reagan. The sources listed those who are coming as Prime Ministers Vere Bird of Antigua and Barbuda, John Compton of St Lucia, Dr Kennedy Simmonds of St Kitts and Nevis, James Mitchell of St Vincent and the Grenadines, Edward Seaga of Jamaica, Eugenia Charles of Dominica, and Bernard St John of Barbados.

Belize, The Bahamas, Guyana, and Montserrat -- the four other Caribbean community member-countries -- were not invited.

The talks will centre on economic and security matters. Reagan's four-hour visit comes nearly two-and-a-half years after U.S. troops staged an invasion of Grenada to topple a leftist junta that had seized power in a bloody coup.

The government has declared next Thursday a public holiday for the visit which would be the first by an American president to the island.

BAHAMAS

BATELCO COMMISSIONS INTELSAT EARTH STATION

FL121745 Bridgetown CANA in English 1715 GMT 12 Feb 86

[Text] Nassau, Feb 12, CANA -- The Bahamas Telecommunications Corporation (Batelco) has commissioned construction of a U.S. 9 million dollar Intelsat Earth station that will provide direct satellite communication between the Bahamas and other countries, including the United States, Canada, the Caribbean and Bermuda.

The station, scheduled for completion by spring of 1987, will be built by Massachusetts-based GTE International Systems Corporation, a world leader in the design and implementation of turnkey satellite communication systems.

Robert Bartlett, general manager of Batelco, said the satellite link would greatly benefit companies doing international business from the Bahamas, as well as increase the number of television channels available.

This project is in keeping with Batelco's mission to provide a complete telecommunications service consistent with the needs of the country, he added.

GTE ISC has installed similar Earth stations in the Far East, Africa, Central and South America and throughout the United States.

HAITI

GOVERNMENT REESTABLISHES ORIGINAL NATIONAL FLAG

PA131524 Paris AFP in Spanish 1411 GMT 13 Feb 86

[Excerpt] Port-au-Prince, 13 Feb (AFP) -- Today the Haitian National Government Council reestablished by decree the first flag of independence, which is blue and red, and abolished the black and red flag established by President Francois Duvalier (Papa Doc) in 1964.

The blue and red flag will be reestablished on the 18th and General Henri Namphy, president of the National Government Council, has invited all the population to celebrate the reestablishment of the flag on the 25th.

The first Haitian flag, blue and red in horizontal bands, was created in Arcahaie, 50 km north of Port-au-Prince, on 18 May 1803 in the war of independence between an army of slaves and the French expeditionary force.

NEW LEADERSHIP CALLED 'TEAM OF DUVALIERISTS'

FL131336 Bonaire Trans World Radio in English 1130 GMT 13 Feb 86

[Text] In Haiti, opposition leader Sylvio Claude charges the country's new government is in his words: a team of Duvalierists. Mr Claude says Haiti's present leadership may have been involved in human rights abuses under the regime of former President Jean-Claude Duvalier. He says the majority of the Haitian Cabinet members are Duvalierists or former Duvalier ministers and are in no position to demonstrate their integrity. Mr Claude says the country's military civilian junta should name a provisional government in 1 month with representatives of all opposition parties and he also called for the restoration of the 1950 Haitian constitution.

JOURNALIST APPOINTED GENERAL DIRECTOR OF TOURISM

FL132224 Bridgetown CANA in English 2210 GMT 13 Feb 86

[Excerpts] Port-au-Prince, Feb 13, CANA/REUTER - Haiti's new leaders remained under pressure today to dissociate themselves from deposed dictator Jean-Claude Baby Doc Duvalier as the capital returned to normal for the first time since his ouster.

All stores and manufacturing plants were open, people lined up at tax and utility offices to settle accounts, and bill collectors made their rounds at tourist hotels for the first time since Duvalier fled the country last Friday.

But beneath the calm, tension lingered. Opponents of the new government said they were determined that no-one linked to the 28-year Duvalier dynasty would serve in Lieutenant-General Henri Namphy's ruling military-civilian council and Cabinet.

Thousands of exultant Haitians demonstrated last night outside the presidential palace, chanting for the removal of ministers they accused of being Duvalierists or Tontons Macoutes, the notorious militia which kept him in power.

The new government today appointed veteran journalist Aubelin Jolicoeur as general director of tourism.

The airport remained closed today as the government moved to control the expected return of thousands of Haitians who fled the country during the Duvalier reign.

Haiti's new rulers have been criticized by exile [as received] and government sources said officials wanted to screen out militants seeking to return home.

SOME STORES, FACTORIES REOPEN 12 FEBRUARY

FL131342 Bonaire Trans World Radio in English 1130 GMT Feb 86

[Text] Some factories and stores reopened yesterday for the first time since former President Duvalier fled the country last Friday. Thousands of Haitians attended a mass demonstration in Port-au-Prince yesterday to mark the end of the Duvalier era.

ST. LUCIA

CANADA CONTRIBUTES TO AGRICULTURAL PROJECTS

FL131643 Bridgetown CANA in English 1625 GMT 13 Feb 86

[Text] Castries, Feb 12, CANA -- Canada has given St Lucia EC380,000 dollars (one EC dollar; 37 U.S. cents) for small projects under funds controlled by its High Commission to the Eastern Caribbean, an official said.

Barbados-based High Commissioner Noble Power, who is now on a visit to the country, said high priority had been given by Ottawa to the improvement of facilities for the marketing of agricultural produce in southern St Lucia.

To this end, a contribution of approximately 100,000 dollars has been approved towards the renovation of the Vieux Fort market in the south of the island.

A contribution of 49,000 dollars has also been approved for the St Lucia association of farmers' cooperatives which will enable this group to continue its programme geared towards the improvement of livestock and increased pork production throughout the island.

HOYTE ANNOUNCES PLANS TO 'REINVIGORATE' ECONOMY

FL132250 Bridgetown CANA in English 2156 GMT 13 Feb 86

[Text] Georgetown, Feb 13, CANA -- Guyana, under new President Desmond Hoyte, has launched frest initiatives to breathe new life into its long-rundown economy. With the petroleum sector chosen as the launching pad for their efforts the government has dispatched a mission to states and Europe to feel out the international response to the possibility of joint ventures in this field. [sentence as received]

Hoyte says prospects in the petroleum sector here appear "quite promising". "We have been doing much systematic technical work within recent years," the president told Parliament this month. The resulting seismic and other data, he said, had thrown up "attractive possibilities". He said the missions mandate was to meet with leading international oil companies, "with a view to interesting them in helping to develop our hydro-carbon resources".

Guyana uses about U.S. 100 million dollars a year in imported oil -- all of it from neighbouring Trinidad and Tobago. Unfortunately with Guyana's export earnings failing to match its consumption patterns, Georgetown has run up a near half billion dollar (TT) oil bill with Port of Spain, whose demand now for cash payment in U.S. dollars for future supplies has triggered fuel rationing here.

Official sources say as many as 150 oil companies, including big names like Texaco, Occidental and British Petroleum, have expressed an interest in Guyana's petroleum resources in the past.

Government has long contended there are vast oil and other mineral reserves in the country's sprawling Essequibo area being claimed by neighbouring Venezuela. It has never been clear, however, just how vast are those resources.

The dispatch of the oil mission dovetailed with another Guyana Government team which has been touring the Caribbean Community (Caricom) with a similar message to investors. Come join us in developing our natural resources for mutual benefit.

The two missions reflect what is being seen here and in the region as a shift to the right by Hoyte, who took over Guyana's leadership last August on the death of the more-socialist Forbes Burnham. Hoyte, according to one of his Caricom colleagues can be expected to deemphasise the leftist rhetoric prevalent in the near 20-year rule of his predecessor.

At the February 4 ceremonial opening of Parliament after December 9 general elections, Hoyte made it clear that his main priority will be to move this financially-strapped 83,000 square mile republic out of the economic doldrums. It will be the single-minded objective of the government to infuse dynamism into the economy by doing everything requisite and necessary to reinvigorate the public, private, and cooperative sectors and to give positive encouragement also to individual initiative, the president declared.

Government has already begun wide-ranging consultations with the private sector as well as with the labour movement here, with a view to creating a suitable environment to "bolster the confidence of our business community and to expand economic activity".

To back all this up, the administration has promised a review of the impact of the existing tax regime on the profitability of businesses and a streamlining of the procedures for gaining fiscal and other incentives.

There are also plans to initiate from this year, in collaboration with the commercial and manufacturing sectors, a system of national awards for businesses which achieve a high level of performance in accordance with certain set criteria. According to Hoyte, "All government ministries, financial institutions and other public agencies... have been directed to treat the objective of reviving the economy as an absolute priority."

Guyana, with bauxite, sugar and rice as its chief hard currency earners, has suffered remarkable economic decline since the beginning of this decade. Official figures reflect a 20 per cent decline in real output between 1981 and 1983. The Inter-American Development Bank estimates that between 1981 and 1984, some 25,000 public sector workers here lost their jobs, as government sought to come to grips with the problem.

According to the World Bank, with the economic crisis here, it could take up to 1990 for Guyana to reach production and income levels of the early 1970's. The key mining sector has, however, shown significant improvements in the last 18 months. Official figures for 1985 are not yet in, but bauxite production rose from 1.1 million tonnes in 1983 to 1.6 million tonnes in 1984 and was expected to reach 2.2 million tonnes last year.

Hoyte says his administration's economic development push will also see emphasis on agriculture, fisheries, forestry, manufacturing, and mining.

The government has promised "appropriate policy measures" to generate new or renewed activity in these areas, including fiscal incentives, improved marketing arrangements, and more efficient supportive facilities.

To underline the importance of agriculture in the new thrust, Hoyte has announced plans to table in Parliament soon, government's agricultural plan 1986-89. This, he said, would be accompanied by a policy paper on the question of providing agricultural land for the landless.

In the economic revitalisation programme, government's myriad public corporations have been urged to become more sef-supporting. Hoyte told Parliament: While it is a prime objective to quicken the pace of growth and expansion of our economy, government must, in the final analysis, have due regard to the absolute necessity for fiscal prudence. In this regard, the reduction of the public sector deficit and its containment within manageable limits will be a constant preoccupation and a national priority. Consequently public corporations will have to achieve an acceptable level of business performance and their deficits will have to be controlled as a matter of course.